



Doing Business in Thailand

2013 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business in Thailand

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Market Overview

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- Thailand is the 27th largest export destination for the United States. Two-way trade in goods and services in 2012 was about \$40 billion, with \$26.1 billion in Thai goods exports to the U.S. and \$11 billion in U.S. goods exports to Thailand. U.S. exports to Thailand increased by 0.5 percent, while US imports from Thailand increased by about 5.2 percent for the same period in 2012. In Asia, Thailand ranks as the United States' 9th largest export destination after China, Japan, South Korea, Hong Kong, Singapore, Taiwan, India, and Malaysia.
- Thailand, the second largest economy in ASEAN after Indonesia, is an upper middle income country with an open economy and a gross domestic product (GDP) of \$365 billion in 2012. Thailand's GDP expanded 6.4% from 2011, when the economy grew only one percent. In the third quarter of 2011, hundreds of thousands of homes were inundated with water, seven large industrial parks flooded, and many business operations ground to a halt, displacing approximately 650,000 Thai workers. The Thai government estimates total damages and lost revenue at more than \$43 billion, which is equivalent to 12.4% of 2011 GDP.
- An export-dependent economy, Thailand exported a total of \$ 229 billion worth of goods in 2012, accounting for 63 percent of its GDP. Exports in 2012 grew 3.2 percent as compared to 14.3 percent in previous years. This is partly due to the flooding, which disrupted production in the automotive and electronics industries, the top two export revenue earners for Thailand. Together, China, Japan and the United States accounted for 32.2 percent of the market for Thai exports in 2012.
- The Thai economy is highly dependent on international trade, with export levels reaching 63% of GDP in 2012, despite its lower than expected growth of only 3.2%. This is due to supply constraints from flood damage during the first half combined with falling key agricultural prices and volumes (e.g., rubber and rice) and weak global demand.
- Industrial production accounts for the second largest share of Thailand's GDP at around 39%, after services (52%) while agriculture is 8%. Manufactured products are usually the top export, accounting for 86% of all exports in 2012. Electronics/electrical appliances and automobiles made up around one-third of total export value in 2012. Tourism, which is also vital to the Thai economy at

roughly 6% of GDP, saw a second consecutive record-breaking year in 2012 with more than 22 million international arrivals, and the trends looks to continue into 2013.

- Private consumption and investment, the primary components of domestic demand, emerged as the primary drivers of growth in 2012 and are likely to continue into 2013. Exports are expected to pick up moderately in 2013 in line with global demand. In addition, government expenditure will be another growth engine as the Thai government gears toward spending \$67 billion over the next seven-years (2013-2020) to upgrade the country's logistical infrastructure. In 2013, GDP is forecasted at 5.0% (yoy) while inflation should remain stable at 3.0% (yoy).

Market Challenges

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- As an opened market economy, Thailand is market of intense competition from both global and domestic suppliers. Business operators and owners are second- and third-generation with education and practical knowledge of their businesses. Thailand's mass market is price conscious and is generally served by local suppliers and or low-price imports. U.S. exporters with products that are competitive for reasons other than price should plan to work with their local partner to undertake an extensive marketing strategy.
- Thailand's average applied MFN tariff rate was 9.8 percent in 2011. The country's agricultural tariffs are at an average of 39.9 percent ad valorem, compared with its average applied MFN tariff on agricultural products of 22 percent. MFN duties on imported processed food products typically range from 30 percent to 50 percent. These particularly high rates bring price pressures for U.S. exporters hoping to succeed in the market. Furthermore, Thailand has preferential trade agreements with such countries as Japan, Australia, New Zealand, China and India. U.S. firms with direct competitors from those countries could face additional price pressures.
- Corruption and lack of transparency in government procurement tenders, as well as widespread piracy of intellectual property rights, are still major concerns for U.S. companies.

Market Opportunities

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- Thailand's economic growth has created opportunities for U.S. companies in a number of infrastructure sectors including electrical power, telecommunications, and renewable energy. Thai consumers are creating opportunities for new sales of U.S. medical products, cosmetics, automotive accessories, food supplements and educational services. Thailand also continues to look for U.S. suppliers of defense equipment, broadcast equipment, food processing and packaging equipment, and environmental technology.

- The Thai government is focusing resources on the development of its transportation network, especially train and high speed rail projects as well as ongoing infrastructure projects, including the expansion of the Bangkok Sky train and subway systems. U.S. firms engaged in supplying these sectors will find opportunities.
- For more information on best market prospects, please see Chapter 4.

Market Entry Strategy

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- Obtaining a local partner, such as an agent or distributor, is still the preferred means of entering the Thai market, as it is one of the most efficient and effective ways to reach Thai buyers. The agent or distributor can facilitate and expedite market entry with their extensive market knowledge and established networks. Within the business culture of Thailand, interpersonal relationships are a vital factor underpinning successful business transactions.
- The Commercial Service in Bangkok provides series of services customized to assist U.S. firms planning to enter the market. Please refer to Chapter 10 of this guide for further information on our services.

Market Fact Sheet

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COUNTRY FACT SHEET: THAILAND

PROFILE

Population in 2011 (Millions): 64

Capital: Bangkok

Government: Constitutionalmonarchy

ECONOMY

	2009	2010	2011
Nominal GDP (Current Billions \$U.S.)	264	319	346
Nominal GDP Per Capita (Current \$US)	4,151	4,992	5,395
Real GDP Growth Rate (% change)	-2.3	7.8	0.05
Real GDP Growth Rate Per Capita (% change)	-2.5	7.2	-0.26
Consumer Prices (% change)	-0.85	3.3	3.8
Unemployment (% of labor force)	1.5	1.0	0.68

Economic Mix in 2011: 43.5% All Industries; 44.1% Services; 12.4% Agriculture

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FOREIGN MERCHANDISE TRADE (\$US Millions)

	2009	2010	2011
Thailand Exports to World	152,497	195,312	228,824
Thailand Imports from World	133,770	182,393	228,483
U.S. Exports to Thailand	6,918	8,977	10,899
U.S. Imports from Thailand	19,082	22,693	24,830
U.S. Trade Balance with Thailand	-12,164	-13,716	-13,931

Position in U.S. Trade:

Rank of Thailand in U.S. Exports	29	28	27
Rank of Thailand in U.S. Imports	18	19	19
Thailand Share (%) of U.S. Exports	0.66	0.70	0.74
Thailand Share (%) of U.S. Imports	1.2	1.2	1.1

Principal U.S. Exports to Thailand in 2011:

1. Computer & Electronic Products (24%)
2. Chemicals (15.3%)
3. Primary Metal Mfg (12.2%)
4. Machinery, Except Electrical (8.7%)
5. Agricultural Products (7.6%)

Principal U.S. Imports from Thailand in 2011:

1. Computer & Electronic Products (37%)
2. Miscellaneous Manufactured Commodities (10.3%)
3. Food & Kindred Products (8.4%)
4. Fish, Fresh/Chilled/Frozen & Other Marine Products (7.3%)
5. Apparel & Accessories (4.9%)

FOREIGN DIRECT INVESTMENT

	2009	2010	2011
U.S. FDI in Thailand (US \$Millions)	9,371	10,505	11,308
FDI in U.S. by Thailand (US \$Millions)	199	158	118

DOING BUSINESS/ECONOMIC FREEDOM RANKINGS

World Bank Doing Business in 2012 Rank: 18 of 185

Heritage/WSJ 2012 Index of Freedom Rank: 60 of 179

Source: Created by USDOC/ITA/OTII-TPIS from many sources: FDI from USDOC, Bureau of Economic Analysis. US Trade from USDOC, Census Bureau, Foreign Trade Division. Thailand Trade with World from United Nations where available. National Macroeconomic data from IMF/World Bank databases including World Economic Outlook and World Development Indicators. .WORLD and other country aggregates are summaries of available UN COMTRADE, IMF and other data, and coverage varies over time and by source, but typically represents greater than 85 percent of world trade and production. Note: Principal U.S. Exports and Imports Are 3-digit NAICS Categories

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/p/eap/ci/th/>

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Using an Agent or Distributor

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Although Thai law does not require use of local agents and distributors, it is one of the most efficient and effective ways to enter the market in Thailand. The agent and distributor facilitate and expedite the market entry with their extensive market knowledge and established network of contacts. Among the business culture in Thailand, interpersonal relationships drive business and transactions. Local agents and distributors are accustomed to local business practices and requirements and as such they are positioned to manage business arrangements that companies in the U.S. cannot conveniently provide from afar. In addition, local agents and distributors will take care of regulatory affairs, acquire required import permits, and manage custom clearance and other logistics for U.S. exporters.

U.S. exporters must invest sufficient time and attention in selecting a qualified agent and provide training for marketing and technical support staff. Frequent contact with local representatives is essential in order to build a good relationship.

Some of the best ways to locate an agent and/or distributor in Thailand are to:

- Use the International Partner Search Service (IPS), Gold Key Service (GKS), or Video Gold Key Service available from the U.S. Commercial Service, U.S. Embassy Bangkok (see our website at <http://www.export.gov/thailand> for more information).
- We recommend ordering an IPS report, since it provides a listing of Thai companies that have been hand-selected by our Commercial Specialist responsible for your industry sector. These companies have been interviewed by our Commercial Specialist, examined your product literature and company

profile, and expressed strong interest in holding further discussions with you about representing your company. We provide you with a company profile and contact information for each Thai company.

- Following your receipt of the IPS report and your company's initial follow-up, should you plan to visit Thailand, we recommend you use our Gold Key Service. By using our GKS, we will set up meetings with each potential Thai representative, arrange hotel and transportation, and provide the appropriate Commercial Specialist from our staff to accompany you to the meetings. Should you not be in a position to travel from the U.S. to Thailand but wish to have face-to-face discussions with the Thai candidates, we can arrange "virtual" meetings by videoconference under our Video Gold Key Service. If you do not have access to videoconferencing equipment, you would simply go to the nearest U.S. Department of Commerce Export Assistance Center for the video hookup in the United States. A searchable directory of these centers may be found at the following website: <http://export.gov/usoffices/index.asp>.
- If you end up traveling to the region to execute one of our fee-based services, we strongly encourage firms to consider undertaking a similar service in another market. Staff at your local Export Assistance Center can help facilitate a multi-market visit to the region.
- Participation in trade exhibitions in Thailand can also be an effective means to test the market and locate serious agents and/or distributors in Thailand.

Establishing an Office

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The primary organizational structures for commercial enterprises are sole proprietorships, partnerships, limited liability companies, joint ventures, or foreign branch operations. All are similar in nature to those found in the United States. However, Limited liability companies are more often privately held rather than public corporations. The majority of foreign corporations operating in Thailand do so through private limited liability companies.

There are three major forms of partnership in Thailand:

1. an unregistered ordinary partnership;
2. a registered ordinary partnership;
3. a limited partnership.

As in the United States, each form of partnership has different levels of liability for partners and different tax consequences for the partners and partnership. If a firm chooses a more formal type of organization, it may decide to form a private limited company or a public limited company. Generally speaking, a private limited company is similar to a U.S. privately held corporation while the latter may offer shares to the public.

Thailand also offers the possibility of establishing a representative or regional office for those companies engaged in non-revenue generating activities. These may be offices engaged in market research and assessment, providing quality control or purchasing

services to a head foreign office, or providing warranty support services for products sold by its head office to the Thai market.

In any process of establishing an office, individuals and firms are strongly advised to consult at an early stage with legal or other professional advisors to ensure compliance with all applicable laws and regulations and to ensure selection of the optimal business structure for their activities in Thailand. The U.S. Commercial Service website (www.export.gov/thailand) offers a listing of law firms operating in Thailand. Other considerations for American firms are to ensure there are no restrictions on foreign entity participation in a particular sector - whether there are import licenses or other special licenses required and whether there are any special incentives available from Thai organizations, such as the Board of Investment (BOI) and the Industrial Estate Authority (IEAT).

The U.S.-Thai Treaty of Amity and Economic Relations of 1833, commonly referred to as the Treaty of Amity, allows U.S. majority-owned businesses, incorporated either in the United States or in Thailand, to operate on an almost level playing field with Thai corporate entities. As a result, U.S. corporations may establish wholly owned subsidiaries or branch offices in Thailand without the constraints that other foreign firms face from the Alien Business Law. However, there are still government restrictions in the communications, transport and banking sectors, the exploitation of land and natural resources and the trade of domestic agricultural products. To register under the Treaty of Amity, a U.S. company should obtain documents from the U.S. Commercial Service office in Bangkok and file an application with the Department of Commercial Registration at the Thai Ministry of Commerce. The U.S. Commercial Service at the U.S. Embassy in Bangkok has further information available for interested firms or individuals. Information on the Treaty of Amity may also be found at:

<http://export.gov/thailand/treatyofamity/index.asp>

Franchising

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Thailand's franchise industry has expanded at approximately 20 percent annually and is expected to grow further. This is mainly due to the fact that becoming franchisees is popular among young generations aspiring to be entrepreneurs. Currently, there are 368 franchisors in Thailand. The number is expected to reach 460 over the next three years.

American franchise brands have a majority share of the imported segment of the market which accounts for 15% of the overall. They include McDonalds, Burger King, Starbucks, Au Bon Pain, KFC, Pizza Hut, Krispy Kreme, Baskin Robbins, A&W, Subway, Outback Steak, Sizzler, Dunkin Donuts, Gymboree, and McGuire. Most American brands have been successful in the food service sector and some have found success in the non-food sectors such as child development, education and car-detailing services.

Thailand, as one of the world's major tourist destination, offers good opportunities for American franchises, particularly those with strong brand recognition. The country's growing affluence and consumers with preference for American life-style will further enhance growth potential of American franchise. In addition to offering product and or services that are well-liked by the local targets, identifying a strong local partner is a key success factor. Ideal partners would have strong financial capability and experience in franchising.

Direct marketing is considered to be an effective means of marketing for consumer goods and services in Thailand and is expected to grow steadily. It is a \$2 billion industry in Thailand that employs over 1 million. Direct marketing is used widely in the sale of insurance (life and non-life), cosmetics, health care products, cleaning and household items, and electrical appliances. Major direct marketing companies from the US include: Amway, Nu Skin, Herbal Life, Unicity Marketing, Sun Rider International, and Avon. Even though direct marketing has proven to be very successful in the Thai market, poor consumer protection laws and enforcement appear to be a major hurdle in the growth potential for the direct marketing business in Thailand. Many problems still need to be solved, such as poor product quality, loss during delivery, product return and refund policy, and intellectual property rights.

Direct marketing and mail order sales to some extent have benefited from use of individual credit cards in Thailand. Credit cards stretch the buying power of Thai consumers and facilitate retail sales through non-traditional means, such as mail order and electronic commerce. Leading the market in this sector are American Express (Amex) and Citibank (which issues both Visa and MasterCard). Most major department stores in Thailand conduct direct marketing via mail order campaigns through their own networks of discount cardholders. Installment plan sales of household consumer goods and electrical appliances are gaining popularity among consumers, especially in rural areas.

TV home shopping has gained increasing popularity. More international operators of home shopping, mostly from South Korea, have entered the Thai market with a joint venture with local retail operators. Quality of the product is a major concern of most buyers. The Thai consumers' buying pattern of seeing and touching products still holds true, which could limit the growth of TV home shopping especially with big ticket items.

Joint ventures (JVs) and licensing agreements are important market entry strategies for American exporters to Thailand. In many cases, the only way to overcome costly freight charges, high tariffs and competition from cheaper local goods is via local production. Thai firms need to become more technologically advanced to offset competition from lower cost producers. Thailand's Civil and Commercial Code has a section on General Contracts, which broadly governs all contractual business relationships and transactions. Depending on the nature of the contract, the Public Companies Act and Alien Business Act include provisions pertaining to joint venture agreements which American firms should be aware of before signing with any local partners. (Please note that, any provision of the contract that is deemed to be contrary to public order or good morals, or any law related to that nature, will be void.) Joint venture partnerships with funding support, technology transfer and training components are effective mechanisms to achieve this.

Many Thai firms are actively seeking U.S. joint venture partners which, along with much needed capital, can also bring technical, marketing and management skills to the business relationship. In turn, Thai firms generally offer assets, such as valuable local vendor and government contacts and established business relationships throughout the region. A number of U.S. companies have already entered into strategic joint-venture relationships with Thai partners in Indochina and China.

The U.S. Commercial Service at the U.S. Embassy in Bangkok can provide assistance to American firms seeking potential joint venture partners in Thailand through various marketing services. Visit www.export.gov/thailand or www.export.gov for more information.

Selling to the Government

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U.S. exporters interested in selling to the Thai government have opportunities in such key fields as electrical power systems, renewable and alternative energy, petroleum refining and petrochemicals, telecommunications, transportation, information and communications technology, the environment, health care and commercial defense.

The key to successful bidding on Thai government contracts and supply tenders is to have a reputable local representative with good access to the procuring agency and knowledge of specific procurement requirements. Without this intermediary, it is very difficult to win a government project – procurement is decentralized among more than 200 government agencies and state enterprises. Representatives are accepted as legitimate players in the bidding process. Agents often provide an early "heads up" to U.S. firms when they hear of attractive tenders. Before these tenders are even issued, they can help to ensure that a principal's product will meet all of the required tender specifications.

It should also be noted by companies bidding on government projects, training and after-sales services on all equipment purchases are important features considered in the review of all proposals. A U.S. company should expect additional training costs and expenses on top of the product cost and should plan to build these costs into the bid. American firms may find it more cost-effective to send engineers or specialists to train bigger groups of employees at a plant or specialized government facility, such as a military installation.

A specific set of rules, commonly referred to as the "Prime Minister Office's Procurement Regulations," governs public sector procurement. These regulations require that non-discriminatory treatment and open competition be accorded to all potential bidders. However, in reality the system is not entirely transparent, and the Thai government is not a signatory to the WTO Agreement on Government Procurement. Some observers feel that the Royal Thai Government does not always provide a level playing field for foreign bidders. Generally, the procuring government agency provides preferential treatment to some preferred foreign suppliers, and domestic suppliers who under a "Buy Thai" policy receive an automatic price advantage of 3-7 percent rate (depending on the product) in the initial bid round evaluations. International companies may bid without having an agent if the government agency or state enterprise in charge of the project allows. If the project is funded by foreign loans, then it will be treated as an international bid. The "two envelope" system is commonly used, with technical evaluations of bids conducted

separately from cost evaluations. The procuring government agency reserves the right to accept or reject any or all bids at any time, and is not bound to approve the lowest bid. The procuring government agency may also modify the technical requirements during the bidding process. This flexibility can prove frustrating to bidders. Charges leveled that changes are made for special considerations have been common in the past.

On January 13, 2005, in an effort to encourage greater transparency, the Ministry of Finance announced regulations creating electronic auctions for government procurement. E-auction works like a reverse auction, with the purchasing agency announcing that it wants to buy a certain good or service, and prospective suppliers bidding via the Internet. The lowest qualified bidder wins. E-auction must be used on procurements greater than 2 million baht (approximately \$50,000), but agencies are free to use e-auction for lesser value procurements as well if they wish to.

The status and powers of the National Counter Corruption Commission (NCCC) have been enhanced, giving it independence from all branches of government. The members of the Commission sit on the NCCC for a term of nine years with no renewal, and report to their own chairperson. Individuals holding high political offices, and members of their immediate families, are now required to list their assets and liabilities before taking office and upon leaving office. It appears that there is an increasing will to enforce transparency in government procurements. However, the autonomy and transparency of the NCCC has not truly been tested; the appointment of individual commission members and accusations of conflicts of interest are still being publicly questioned in the Thai media.

Distribution and Sales Channels

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Distribution and sales of industrial goods in Thailand are normally conducted through two channels: 1) from U.S. exporter to Thai importer, to Thai end-user, and 2) from U.S. exporter to Thai end-user. The selection of distribution and sales channels depends largely on the type of product and the end-user. Exporters of products that require after-sales service should have a Thai importer representing them locally. A local agent or distributor can respond more quickly to provide service and parts replacement. Accordingly, the end-user's confidence will increase if there is a place where they can receive near-immediate assistance any time a machine breaks down. Also, the end-user generally feels more comfortable dealing with a local agent or distributor since there are no language or distance barriers. The agent or distributor also facilitates customs procedures for end-users. It should be noted that, in general, only local agents, distributors, or manufacturer's branch offices in Thailand are eligible to enter day-to-day bidding for routine government tenders. Please also see the sections in this chapter on "Selling Factors" and "Selling to the Government" for more detailed information about bidding on projects by international bidders.

For consumer goods, there are generally three distribution and sales channels: 1) from U.S. exporter, to Thai importer, to Thai retailer, to Thai end-user; 2) from U.S. exporter, to Thai importer, to Thai wholesaler, retailer, and end-user; 3) from U.S. exporter, to Thai retailer, to end-user. Perishable consumer goods tend to go through the first channel, which is the fastest. In this instance, importers tend to act as wholesalers at the same time. Non-perishable consumer goods normally go through the second or third channel. The second channel seems to be the most favored, especially with lower-priced items,

since there are over 250,000 (mostly small) retail outlets in Thailand. Working through wholesalers will promote better market coverage.

Selling Factors/Techniques

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To differentiate themselves from local and third-country competitors, U.S. firms should emphasize their strengths in quality, innovation, technology enhancements and customer service. Thai customers have come to expect more, and better, styles and designs, regular product upgrades and updated technology from U.S. companies. They will often choose U.S. products and services on the basis of "value for money," not solely on cost factors. To gain a competitive advantage in the marketplace, U.S. firms should develop and maintain good customer relationships and be able to reference success with existing customers when seeking new clients. American companies should also choose strong local partners or distributors offering high service standards and capabilities.

A competent marketing strategy is important for doing business in Thailand because the market structure is changing rapidly in several respects. Successful companies use the following techniques and strategies to maintain and expand their market shares in Thailand:

1. Identify potential customers in the appropriate business communities
2. Understand end users' behavior and their cultural environment in order to offer the most suitable products to them
3. Promote themselves in business communities by advertising through the media, participating in trade shows, and organizing seminars to launch new products
4. Educate buyers on new technologies, and provide high reliability and unbiased advice through direct sales to end users
5. Sell consulting services together with solutions
6. Identify the features and benefits of specific product or service solutions
7. Use training as an effective means to make potential customers aware of the quality of products and services
8. Create end user awareness in order to expand services

Large U.S. firms have their own subsidiaries in Thailand to sell products and provide technical services. Opening a representative office and a company-owned support facility will also underscore the company's commitment to the market. Following the 1997-98 Asian financial crisis, most Thai buyers began requiring longer-term or more flexible and creative financing terms. Thai distributors prefer to deal directly with U.S. vendors over regional distributors and to be appointed as a sole distributor in most cases.

Thai law permits all foreign companies, with or without a local representative, to submit bids on public sector tenders. A consortium of U.S. companies is acceptable for the supply of a wide range of products in large tenders. For example, when bidding was conducted for the New Bangkok International Airport, the U.S. bidders were able to submit without having a local agent but many had a joint venture partner in place even

though this was not a condition of the tender. Direct international bids have also been accepted for major power plants. Conversely, day-to-day procurements by public sector agencies and ministries almost always make local representation a condition for bidders. The U.S. Commercial Service can certify notarized documents presented by American firms and their local partners prior to bid submissions to meet the requirements of the agency or ministry tendering the bid. Most foreign firms have found it advantageous to appoint a local agent who can deal with problems related to communications, bureaucratic procedures, local business practices and marketing when competing and bidding on government projects. For more detailed information, please also see the section on “Selling to the Government,” in this chapter.

U.S. firms should be aware that while the purchasing company may simply accept the lowest bid that meets specifications, it might also attempt to bargain with one or more of the lowest bidders to negotiate better terms. Therefore, U.S. firms should be prepared to empower their agents to take measures to increase competitiveness. On major contracts, it is advisable to have an American representative involved when such bargaining ensues. In addition, the public agencies may request credit in their procurement tenders. A supplier who offers credit will have a better chance of winning bids. Sales without credit are sometimes made if other factors such as price, quality, and delivery schedules are of greater importance.

The most important requirements for new U.S. suppliers are: continuous upgrading and development of new products; suitable promotional activities; good service, and hiring qualified representatives in the local market. In addition, flexible sales policies are also important to attract potential long-term users. A Thai language manual for users is also important.

Electronic Commerce

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The Royal Thai government’s support for expanded ICT infrastructure has enabled broader internet penetration and cheaper access to information for the Thai people. This growth has been accompanied by legislation that regulates internet usage; namely the Computer Crime Act of 2007. Several people have been detained in Thailand under this Act in 2009.

E-Commerce technology enables Thai companies to reach more customers around the world, reduce their overhead costs and become more efficient. E-Commerce is expected to become more widely used in Thailand to support “business to business” collaboration (i.e., supply chain management and e-marketplaces). Thai consumers still prefer to see goods before purchasing them.

Trade Promotion and Advertising

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Advertising and trade promotion are important marketing tools in Thailand, especially for the sale of consumer goods, automobile, and telecommunication. In particular, automobile, insurance services, food supplements, and consumer products should be promoted heavily via a full range of mass media.

In 2012, advertising on television is the most popular and commands 58 percent, newspapers 13 percent, cinema 10 percent, radio 5 percent, magazine 4 percent, billboards 4 percent, transit 2 percent, in-store 2 percent and Internet 0.5 percent.

New media (satellite/cable TV, mobile TV, website, social media, and digital media) has been projected to increase 50-60 percent as other traditional media in 2013 due to consumers turn to spend more time on digital content on interactive applications. There are six free television channels and 400 local cable television channels. Since the government allowed advertising on satellite/cable TV in early 2008, the advertising agencies have turned to spend more advertising budget on satellite/cable TV services, which are expected to grow 4–8 percent of overall advertising budget for free television channels within the next 3 years. Television and newspaper are a very successful medium for the promotion of a wide range of American consumer products. There are two popular English-language newspapers in Thailand, "The Bangkok Post" and "The Nation". For advertising, U.S. companies should also consider Thai-language publications as other essential means to promote their products and services. The most popular daily business newspapers in Thai are "Krung Thep Thurakit" (Bangkok Business News) and "Manager." Special promotional campaigns should be conducted at local shopping centers, hotels and convention halls. The most popular campaign is giving away free samples at major business and commercial buildings.

The Internet has become a far more dynamic and effective marketing tool and can be developed much more as a selling medium in almost every industry for both durable and non-durable goods. Digital media provides incredibly rapid information delivery and real-time updates of happenings and also offers consumers a fast track for getting news. Digital media serve as channels to reach a broader client base, develop stronger customer relations, generate customer feedback, and enhance a company's image.

Commercial promotions are an equally important marketing tool for both consumer and industrial products in Thailand. Consumer trade promotion in Thailand is frequently conducted by using gift premiums, discount coupons, or drawings for items such as package tours, cars, or electrical appliances. Consumer trade promotion events are frequently held in supermarkets and shopping malls. Exhibiting firms repeatedly take part in these events because the cost of attending is much lower than participating in a privately organized trade fair. The Department of Export Promotion in Thailand has been actively holding industry exhibitions to promote Thai exports to international buyer audiences during "trade days" and increase domestic awareness by staging "public days" at such fairs.

Industrial product promotion, on the other hand, varies from industry to industry. The two most efficient methods of promotion for industrial products are trade exhibitions and placement of advertisements in trade magazines. Trade fairs with an industry focus serve as a screening tool since exhibitors can be certain that they will have access to the appropriate group of customers. The U.S. Commercial Service in Bangkok includes a list of suggested industry events staged in Thailand as well as U.S. Pavilions at local events and trade missions in Chapter 9 of this Country Commercial Guide. This information is also published on the Commercial Service website in English www.export.gov/thailand and in Thai at www.buyusa.gov/thailand. It is advisable to translate all product literature and technical specifications into Thai when advertising in trade journals, participating in trade shows or organizing technical seminars. Successful firms also arrange for their agents to receive specialized training at offices or factories in the U.S.

Pricing

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The market in Thailand is open and very competitive. Thai customers agree that price is a significant factor in selecting which products to purchase. U.S. firms need to study such factors as the channels of distribution, necessary sales and promotional techniques and the current pricing practices of key competitors. Standard credit payments, as in most international trade, apply in Thailand as well.

Importers of large equipment or machinery charge a commission of 5-10 percent and allow their customers to open a letter of credit themselves. Manufacturers or wholesalers normally receive a 5-10 percent profit margin. Retailers and distributors of local products require a 25-35 percent margin. There is a 7 percent V.A.T. charged on consumer goods as well.

Thai consumers are very price conscious. In fact, less than half of Thai consumers report buying based on brand-name recognition and first time buyers often buy on price alone. Consumers are often offered free gifts or extra options with their purchases. In addition, midnight sales or occasional sales have proven to be quite successful. Retailers' pricing depends on the product and the frequency of turnover. In general, the margin structure is as follows:

Convenience Stores	18-20 %
Discount Stores	8-10 %
Department Stores	40%
Manufacturers or Wholesalers	5-10 %
Distributors of Local Products	10-15 %
Direct sale of specialty products	60-80 %
Direct sale of general product	40 % max.
Importers of large equipment or machinery	5-10 %
Importers of luxury products	60 % min.

Training, after sales service, reliable customer support, and the availability of spare parts are the most important factors cited by Thai customers in evaluating services related to their purchasing decisions. These factors are especially important when marketing industrial products. Buyers seek a quick turnaround time on their requests for technical assistance and perceive such service as being provided by reliable suppliers. In case a local branch cannot provide the service, suppliers should be able to acquire support from overseas branches. Spare parts should also be available in a timely manner.

Better support and after-sales-service have placed U.S. suppliers in a better position, compared with Asian competitors that provide lower priced products. Thai customers generally have a high confidence in U.S. suppliers' service and support, due to their well-trained service and support teams, availability of concisely written manuals, and willingness to modify product offerings. Some Thai buyers would rather invest in higher-quality, more expensive products, in order to save expensive maintenance costs following warranty expirations.

Suppliers of products that have complicated technologies should hire and train a team of highly qualified and experienced technical people as well as provide technical training to their customers. It is also advisable to set up a customer help desk. High-end Thai customers usually consider quality, service and price respectively when purchasing products. A well-trained after-sales service team can increase the possibility of repeat orders from satisfied customers. In addition, Thai customers appreciate receiving periodic technical updates and information from their suppliers. Often, engineers or specialists are sent by the U.S. firms to stay for extended periods in Thailand to conduct larger scale training of big groups of employees who will operate new equipment.

Since sending engineers/technicians for trainings or customer service can be costly for the local end users; it is more advisable for U.S. suppliers to appoint a qualified partner who can provide their customers with quality services in the Bangkok area and elsewhere. Major suppliers noted that competitive pressures and slim margins have forced them to place higher priority on service and support in order to retain old customers and gain new ones. Positive word of mouth from customers can increase the supplier's reputation and sales volume. Conversely, bad service can severely hamper a company's chance for increasing sales in this market.

Several general principles are important for effective management of intellectual property ("IP") rights in Thailand. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Thailand than in the United State. Third, rights must be registered and enforced in Thailand, under local laws. Your U.S. trademark and patent registrations will not protect you in Thailand. There is no such thing as an "international trademark" that will automatically protect your mark or brand name throughout the entire world. Protection against unauthorized use in a particular country depends, basically on the national laws of that country. However, most countries, including Thailand, do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection *before* selling your products or services in the Thailand market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Thailand. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Thailand law. The U.S. Commercial Service can provide a list of local lawyers upon request: http://export.gov/thailand/businessserviceprovider/index.asp?bsp_cat=80120000

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Thailand require constant attention. Work with legal counsel familiar with Thai laws to create a solid contract that includes non-compete clauses and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Thailand or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and. For details and to register, visit: www.abanet.org/intlaw/intlproj/iprprogram_consultation.html
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Thailand at: www.export.gov/thailand/contactus/index.asp

IPR Climate in Thailand

Widespread commercial IP counterfeiting and piracy continue to plague intellectual property rights owners in Thailand. The lack of sustained, aggressive, and coordinated enforcement and prosecution remains a substantial problem.

U.S. copyright industries reported that the software piracy rate in Thailand was 72% in 2011, a decrease of one percent from 2010, with a commercial value of this unlicensed software of \$852 million. The counterfeit and piracy of various products is still easily accessible and widespread all over the country.

Although the Central Intellectual Property and International Trade Court located in Bangkok provided specialized judges to handle IP case with a nationwide jurisdiction, few cases in recent years on both civil and criminal yielded satisfactory results. Moreover, the Thai enforcement systems as a whole remain difficult, the lack of consistency and overall lack of effective deterrence especially with online piracy create a real challenge for right holder to enforce their rights.

In 2007, Thailand was elevated to the U.S. Trade Representative's Special 301 Priority Watch List where they still remain until this day. This reflected an overall deterioration in the protection and enforcement of IPR. Despite repeated assurances from the Thai government to improve the situation in the country, tangible progress on IPR enforcement has been less than sustained and effective.

Patents, Data, Trade Secrets, and Plant Variety Protection

Thailand's patent regime generally provides adequate protection for most innovations. However, Thailand's patent office lacks sufficient resources to keep up with the volume of patent applications, and examination can take more than five years, and eight to ten years or more for pharmaceutical patents. While patent filings have increased in recent years patent issuance numbers have not kept pace, and there is a significant backlog in applications. The Department of Intellectual Property (DIP) is reportedly subject to a hiring freeze that prevents hiring more than the current number of examiners. Thailand joined the Paris Convention and the Patent Cooperation Treaty in recent years and has begun accepting PCT applications.

The U.S. pharmaceutical industry has expressed concerns that the legislation that Thailand enacted to implement its data protection obligations under the TRIPS Agreement did not provide adequate protection of confidential information from disclosure. On January 30, 2007, the Ministry of Public Health issued implementing regulations for the 2002 Trade Secrets Act. The regulations restrict the government from releasing protected data for a period of five years, but do not provide data exclusivity that would prevent unfair commercial use. U.S. industry is also concerned that Thailand does not have a formal patent linkage system to prevent the regulatory approval of copies of pharmaceuticals that are still patented. There has been a reported increase in the number of such copies receiving Thai FDA approval while the original product is still under patent.

Registration of new plant varieties under the Plant Variety Protection Act began in April 2006. Private sector representatives have expressed concern about the implementation and enforcement of the Act, noting the wide availability of pirated counterfeit seeds and other products in Thailand. In 2010, the first foreign companies applied for protection. The United States has urged Thailand to strengthen the 1999 Act to make it consistent with the 1991 International Convention for the Protection of New Varieties of Plants (UPOV) and to accede to this convention.

Copyright

Thailand's copyright law, intended to bring Thailand into conformity with international standards under TRIPS and the Berne Convention, became effective in March 1995. The Thai government is in the process of amending the Copyright Law in several ways. A current set of amendments deals with collecting societies and creates fair use

exceptions for disabled users. Additional amendments that would create secondary liability for landlords renting to infringing tenants and that would prohibit camcording in cinemas are currently under consideration.

In August 2005, the Optical Disk Manufacturing Control Act went into force. This Act is designed to enhance the authority and capabilities of the Thai government to act against operators of illicit optical disc factories and to control the production materials and machines of legal producers. U.S. copyright industries are concerned that the Optical Disk Act is deficient in several respects, including that penalties are not high enough to deter pirates and do not enhance the Thai government's enforcement and oversight powers sufficiently. There has only been one action taken under the Optical Disk Act since it came into force.

Trademarks and Geographical Indications

The Thai government amended its trademark law in 1992, increasing penalties for infringement and extending protection to service, certification, and collective marks. The Thai government also streamlined trademark application procedures, addressing issues raised by the U.S. Government. Additional amendments designed to bring Thailand's trademark law into compliance with the TRIPS Agreement were enacted in June 2000, broadening the legal definition of a mark. Thailand is in the process of joining the Madrid Protocol and is also considering further amendments to the Trademark Act.

The Geographical Indications Act was passed by the Thai Parliament in September 2003 and went into effect in April 2004. This legislation allows rights holders to seek protection for indications that identify a good as originating in the territory of a member or a region or locality in that territory, where a given quality, reputation, or other characteristic of the good is essentially attributable to its geographic origin. It is not clear how this law will be applied to U.S. geographical indications ("GI"s), because it requires explicit evidence that the GI is protected under the law of the foreign country in order to receive protection in Thailand. In addition, the existence of a similar previously registered trademark does not constitute grounds for refusal of a GI registration in Thailand.

Enforcement

Thailand's IPR enforcement efforts have been inconsistent. Corruption and a cultural climate of leniency can complicate both enforcement actions and prosecution of cases. The frequency of raids compromised by leaks from many sources remains a concern. Rights holders complain that seized materials disappear and are used to reward enforcement officials and even the press. Pirates, including those associated with transnational crime syndicates, have responded to intensified levels of enforcement with intimidation against rights holders' representatives and enforcement authorities.

Although Thailand had a new government installed in 2011, the National Intellectual Property Policy Committee which was established in 2009 still exists and is chaired by the Prime Minister Yingluck Shinawatra. It is comprised of top-level representatives from 11 agencies, namely, the Ministry of Commerce, the Ministry of Culture, the Ministry of Education, the Ministry of Finance, the Ministry of Information and Communication Technology, the Ministry of Foreign Affairs, the Ministry of Science and Technology, the Ministry of Public Health, the Royal Thai Police, the Office of the Attorney General and

the National Broadcasting and Telecommunication Commission. The responsibilities of the Committee include formulating policies and strategies for promoting intellectual property, fighting against rights violations at all levels, and improving the intellectual property laws and their implementation.

The Department of Special Investigations (DSI) was established in 2004 and took on an IPR enforcement role, focusing on major infringing production, warehousing and trafficking operations, as well as those activities associated with organized crime. In January 2006, the threshold for cases to be referred to DSI was lowered to 500,000 baht (\$13,400), promising stronger investigative action into more cases, although that has not always resulted in more prosecutions.

The Thai government established a specialized intellectual property court in 1997, which has improved judicial procedures and imposed tougher penalties. Criminal cases generally are disposed of within 6 months to 12 months from the time of a raid to the rendering of a conviction. However, courts frequently hand down light sentences that are not considered a deterrent to criminal behavior.

To further strengthen interagency coordination; on April 26th, 2013 Thailand has established “the National Intellectual Property Rights Center of Enforcement (NICE)”.

The Center is now participated by 25 relevant governmental agencies including Thai intellectual property agents, FDA, Office of the Consumer Protection Board and Anti-Money Laundering Office etc., and headed by the Deputy Minister of Commerce. The main objective of the Center is to ensure effective interagency cooperation for IPR enforcement. All the concerned agencies will work together on planning and conducting enforcement actions so that all the relevant laws and regulations could be effectively enforced against the infringers and produce maximum deterrent effects.

The operation of NICE is to suppress IPR violations at all level, targeting large scale infringers and those in the Red-Zone and notorious markets and focusing on cases related to newly emerging challenges such as Internet piracy or online and physical sales of counterfeit consumer products.

U.S. copyright industries continue to express serious concerns over both optical media piracy and growing online internet piracy in Thailand. Right holders report that enforcement of the Optical Disk Manufacturing Control Act has been sporadic, and only one case has been brought by prosecutors in five years. Industry has noticed a small decline in the amount of pirated product available on the streets, but this is more than matched by an increase in online piracy. Digital copyright issues are not directly addressed in the Thai copyright law, and law enforcement agencies lack sufficient expertise and resources to tackle the problem. Cable and broadcast satellite signal piracy continues to be a major problem throughout Thailand, as pirate providers expand their operations in the provinces. Book publishers have also raised concerns that the existing copyright law is being interpreted in a manner that allows extensive book piracy to go unchecked. According to copyright industry figures, annual losses are estimated at about approximately \$30 million.

Trademark infringement and counterfeiting remains a serious problem. U.S. companies with an established presence in Thailand and a record of sustained cooperation with Thai law enforcement officials have had some success in defending trademarks, but the

process remains time-consuming and costly. Penalties for proven trademark violations are insufficiently high to have a deterrent effect.

The Government organization that is mainly responsible for IPR matters in Thailand is the Ministry of Commerce, Department of Intellectual Property. Please find their contact information, including the addresses of the responsible enforcement agencies, below:

Department of Intellectual Property, Ministry of Commerce:

44/100 Sa Nam Bin Nam Road, Muang Nonthaburi 11000

Tel: (662) 547-4621

Fax: (662) 547-4699

Website: <http://www.ipthailand.go.th/ipthailand/>

The Central Intellectual Property and International Trade Court

The Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary, Building A, 5th -7th Floor. Chaengwattana Rd., Thoongsonghong Subdistrict, Laksi District, Bangkok

Tel: (662) 141-1910

Fax: (662) 143-8725

The Department of Intellectual Property and International Trade Litigation

The Office of the Attorney General

The Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary, Building A, 4th Floor. Chaengwattana Rd., Thoongsonghong Subdistrict, Laksi District, Bangkok

Tel: (662) 246-2100

Fax: (662) 246-2622

The Royal Thai Police:

Economic Crime Investigation Division, Central Investigation Bureau

North Sathorn Road, Bangrak District, Bangkok 10110

Tel: (662) 235-2827

Fax: (662) 234-6806

The Customs Department:

Policy and Planning Bureau, The Royal Thai Customs Department, Ministry of Finance

Sunthornkosa, Klong Toey, Bangkok 10110

Tel: (662) 240-2617

Fax: (662) 249-4016

Due Diligence

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The 1997-98 financial crisis in Thailand was due, in part, to excessive risks taken in the financial sector that were not discovered or checked because of legal, regulatory, institutional and information deficiencies, and the nation's weak supervisory system.

American buyers/investors considering any ventures in Thailand should be cautious, and exercise extreme due diligence. A number of local companies still lack transparency in their accounting practices. Commercial Service Bangkok offers our International Company Profile (ICP) service that provides basic information on Thai firms such as: date founded number of employees, officers, bank references, product lines, and foreign

business contacts. More information on this service is available on the website: www.export.gov.

For more in-depth information, U.S. buyers/investors are advised to hire professional accountancy companies, lawyers, asset appraisers, and other experts in due diligence work to check bona fides of the bank or company they want to buy, extend credit to, or with whom they want to form joint partnership or any type of licensing agreement. A number of leading American accounting and consulting companies with expertise in due diligence are active in Thailand.

American firms may also need to check with government agencies which have information on firms listed in the Stock Exchange of Thailand (SET) for their listing status. Organizations worth checking for this type of information are the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC). Each has their own data bank which include mandatory information that all listed firms need to report on a quarterly and/or annual basis. For information related to other non-listed companies or private owned firms, the Department of Business Development at the Ministry of Commerce should be contacted.

Local Professional Services

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It is highly recommended that U.S. firms obtain relevant legal advice from a local attorney who can provide guidance on drafting and enforcing commercial agreements, company registration, and applying for requisite permits. The services of a local attorney are required for executing distributorship agreements, setting up offices in Thailand, registering patents and trademarks, and for taking legal measures to protect a product from intellectual property right infringement.

As literature on commercial law in Thailand (in English) is scarce, it is recommended that a firm wishing to do business in Thailand gather information on regulations and legal processes prior to arriving in Thailand. This will also ensure that the firm is aware of practices and benefits that it is entitled to, granted by the Board of Investment (BOI) and the Industrial Estate Authority of Thailand (IEAT).

The U.S. Commercial Service at the American Embassy in Bangkok can provide a list of Thai lawyers and American legal consultants who specialize in Thai commercial law and service international clients. The list can also be downloaded from the Commercial Service Bangkok website at: http://export.gov/thailand/businessserviceprovider/index.asp?bsp_cat=80120000

Although Thai law does not require use of local agents and distributors, it is one of the most efficient and effective ways to enter the market in Thailand. The agent and distributor facilitate and expedite the market entry with their market knowledge and established network. Among many business cultures in Thailand, interpersonal relationships are a vital factor for successful business transactions. Local agents and distributors are accustomed to local business practices and requirements. They are in the market and can deliver what is required for a successful business arrangement that companies in the U.S. cannot conveniently provide from afar. In addition, local agents

and distributors will take care of regulatory affairs and acquire import permits for U.S. exporters.

U.S. exporters must invest sufficient time and attention in selecting a qualified agent and provide training for marketing and technical support staff. Frequent contact with local representatives is essential in order to build a good relationship. The Commercial Service Bangkok offers services to assist you in identifying a qualified agent. Please refer to the first section of this chapter.

Web Resources

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U.S. Government Resources:

- U.S. Commercial Service Home Page (English Version):
<http://www.export.gov/thailand>
- U.S. Government Export Portal:
<http://www.export.gov>

Major Thai Newspapers:

- The Bangkok Post: <http://www.bangkokpost.net>
- The Nation: <http://www.nationmultimedia.com>
- Bangkok Business News: <http://www.bangkokbiznews.com>
- Post Today (Thai): <http://www.posttoday.com>
- Business Day Newspaper: <http://www.bday.net>

Magazines:

- Business in Thailand Magazine: <http://www.businessinthailandmag.com>

Business Web Sites:

- <http://www.ustbc.org>
- <http://www.indo-siam.com>
- <http://www.boi.go.th>

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Chapter 4: Leading Sectors for U.S. Export and Investment

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- [Wine](#)
- [Dried Fruits and Nuts](#)
- [Snack Food](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	1,724,108	2,501,278	2,626,342	2,757,659
Total Local Production	94	294	309	324
Total Exports	75	235	247	259
Total Imports	1,724,089	2,501,219	2,626,280	2,757,594
Imports from the U.S.	313,060	612,555	643,183	675,342
Exchange Rate: 1 USD	31	30	29	28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: Unofficial estimated, U.S. Commercial Service

Total Exports: Unofficial estimated, U.S. Commercial Service

Total Imports: Thailand's Customs Department

Imports from U.S.: Thailand's Customs Department

The Thai aviation industry attracts equipment manufacturers from all over the world. The main suppliers come from the United States, the UK, European countries, China, and Israel. The United States has been one of the largest suppliers of aviation equipment to Thailand. In recent years, European countries such as France and Sweden have become more prominent and competitive aerospace equipment suppliers to Thailand.

It is expected that the Thai aviation business will continue to grow in 2013 as a result of an increase in flights and new destinations in order to cope with domestic and international passenger demands, supported by ongoing ASEAN Economic Community (AEC) integration, and the impact of air transport liberalization on airline competition and air passenger traffic. These will eventually spur greater regional air transport.

In addition, anticipated growth in tourist arrivals within Thailand and ASEAN should help bolster business this year. However, this industry will encounter several near-term downside risks, including volatile jet fuel prices and the global economic slowdown.

However, a major long-term impediment exists in the AEC liberalization of logistics services and open-sky protocols per the ASEAN Single Aviation Market (ASAM) agreement. This offers opportunities for Thai air services to expand within ASEAN. Although they may steepen competition within the region, as not only neighboring countries, but non-ASEAN airlines will also be permitted to operate in the region more freely. Both the government and private businesses in the aviation industry will have to adapt to greater competition in 2015.

Connectivity between regional airports could attract airlines to choose Thailand as their destination or cargo transit point. If the number of future infrastructure projects is sufficient and they are completed on time, then the country is poised to reap greater benefits from AEC.

Sub-Sector Best Prospects

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- Aircraft and Parts (AIR)
- Airport and Ground Support Equipment (APG)
- Aviation Services (AVS)

Opportunities

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Passenger traffic to six major Thai airports has increased steadily with a record-high of 74 million passengers in 2012, and is expected to reach 83 million passengers in 2013. Bangkok's Suvarnabhumi airport has already surpassed Hong Kong, and is now the World's sixth largest airport in terms of air traffic. The Bangkok's first airport, Don Muang, will continue to be refurbished and serve as the primary domestic hub.

Expansion of existing airports including the second and third phase expansions of the Suvarnabhumi Airport and the Phuket Airport. Satellite terminal building at the Suvarnabhumi is to be constructed by 2017. Phuket Airport plans to build a second terminal, as well as expand the runway to accommodate larger airplanes.

The current product demand includes aircraft and parts, communication equipment, avionics, associated parts used in maintaining and servicing aircraft, airport and ground support equipment, safety and security equipment and services, passengers and baggage screening machines, ground support vehicles, and air-field lightings.

Web Resources

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Ministry of Transport

Ratchadamnoen Nok Ave., Bangkok 10100

Tel. 662-283-3091, 662-282-3713

Fax: 662-280-0801

Web-site: <http://vigportal.mot.go.th/portal/site/PortalMOTEN/>

Thai Airways International Public Co., Ltd.

89 Vibhavadi Rangsit Road, Bangkok 10900, Thailand

Tel: (662) 545-2113

Fax: (662) 545-3971

Website: <http://www.thaiair.com>

Department of Civil Aviation (DCA)

71 Soi Ngarm Duplee, Tung Mahamek, Yannawa, Bangkok 10210

Tel: 662 287-0320-9

Fax: 662 286-3373

Website: http://www.aviation.go.th/index_en.htm

Aeronautical Radio of Thailand Ltd. (Aerothai)

102 Ngamduplee, Rama IV Road, Tungmahamek, Sathorn, Bangkok 10120

Tel: 662 287-3531-41

Fax: 662 287-3131

Website: http://www.aerothai.co.th/index_en.php

Airports of Thailand Public Co., Ltd. (AOT)

171 Vibhavadi Rangsit Road, Don Muang, Bangkok 10210

Tel: 662 535 1111

Fax: 662 531 4061

Website: <http://www.airportthai.com>

http://www.suvarnabhumiairport.com/index_en.php

Commercial Service Bangkok Contact:

Mr. Kitisor Sookpradist – Commercial Specialist

U.S. Commercial Service

American Embassy

E-mail: ksookpra@trade.gov

Website: <http://www.buyusa.gov/thailand/en>

Broadcast Equipment[Return to top](#)

Unit: USD million

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	1,945	2,100	2,205	2,315
Total Local Production	1,535	1528	1,604	1,684
Total Exports	7,289	8,032	8,433	8,854
Total Imports	7,699	8,604	9,034	9,485
Imports from the U.S.	120	125	131	137
Exchange Rate: 1 USD	31	30	29	29

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: The Custom Department, Thailand

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With the inevitable move in the coming years to digital technology (in 2015) to the broadcast industry, Thailand must prepare for the change by upgrading to digital infrastructure, including transmission platforms, encryption technology, and decoder hardware. Moreover, such a result, the transition will create more than \$2.1 billion worth of investment in the television broadcasting industry, particularly in digital terrestrial and cable-TV business, according to the industry insider.

Digital Broadcasts will increase the number of channels available to viewers, from the currently of six to as many as 48 stations. Twelve of these will be public channels, another 12 will be community-based and the remaining 24 will be for commercial service. This growth in broadcast industry is increasing a lot of potential.

Besides digital terrestrial TV, the investment in the pay-tv market would also increase significantly in the next two years, as local cable operators needed to upgrade their analog networks carrying only 80 channels to digital cable networks carrying more than 300. Such a rapid growth in the pay-tv industry, the investment will be worth about \$ 200 million, excluding further spending by leading operators (i.e. Cable Thai Holdings, GMM Grammy, and True Visions).

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Presently, most broadcast communications equipment is imported. Products from the United States, Germany, and Japan are more popular than products from other parts of the world. This is driven by customer perceptions about the innovators of the latest technology and the quality of broadcast communication devices.

Most Chinese manufacturers concentrate on non-linear equipment and software automation, which involves low production and R&D costs. Importantly, the lower prices of Chinese products have a major impact on the purchasing decision.

For broadcast communications equipment, the key competitors are Itelco (Italy), Rohde&Schwarz (German), Sony (Japan), NEC (Japan), Dayang (China), and Sobey (China).

The industry insider estimated that couple billions of investment would be mobilized for the transformation from analog to digital broadcasting technology, particularly in terrestrial and cable TV businesses in the coming years.

The estimated investment costs include:

- 1). Digital Terrestrial TV Broadcasting in the next 4 years \$ 1.8 billion
 - Infrastructure and network providers \$ 517.2 million
 - TV broadcaster \$ 165.5 million
 - Manufacturer of digital TV converter box \$ 1.1 billion
- 2). Upgrade from analog to digital cable network in the next 2 years \$ 215.5 million
 - Digital Video Broadcasting Cable (DVB-C) boxes replacing 3.5 million of analog cable TV boxes \$ 181million
 - New digital cable TV network \$ 34.4 million

Source: Projection by Cisco Systems (Thailand) Co., Ltd.

Web Resources

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Public Relations Department (PRD)

Rama VI Road, Soi 30, Bangkok 10400
Tel: (+66) 0-2618-2323, Ext. 1700
Fax: (+66) 0-2618-2358
URL: <http://www.prd.go.th>

Mass Communication Organization of Thailand (MCOT)

63/1 Rama 9 Road, Huay Kwang, Bangkok 10320
Tel: (+66) 0-2201-6000
Fax: (+66) 0-2245-1435
URL: <http://www.mcot.net>

Royal Thai Army Radio and Television

210 Phaholyotin Rd., Sanampao, Phayatai, Bangkok 10400
Tel: (+66) 0-2278-1697
Fax: (+66) 0-2615-2066
URL: <http://www.tv5.co.th>

Trade Shows:

Broadcast Asia - Singapore

Date: June 18-21, 2013
Venue: Suntec City, Singapore
Website: <http://www.broadcast-asia.com/>

Commercial Service Bangkok Contact:

Ms. Oraphan Boonyalug – Commercial Specialist
American Embassy
E-mail: oboonyal@trade.gov

Defense[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Defense Budget	5,435,542	5,555,580	6,237,290	7,241,255
Gross Domestic Product (GDP)	350,567,742	385,743,333	432,551,724	481,435,549
Defense Budget in % to GDP	1.55%	1.44%	1.44%	1.50%
Annual Increase	9.39%	2.21%	12.27%	16.10%
Exchange Rate: 1 USD	31	30	29	28

Data Sources: Bureau of the Budget, Royal Thai Government
(Compiled by the U.S. Commercial Service, Thailand)

The Thai defense industry is relatively new and small compared to major defense equipment exporting countries. This makes Thailand highly dependent on foreign suppliers. Thai military have increased imports every year since 2007 and the US is the largest source of imports. The defense industry in Thailand supports mainly the Thai military which continually seeks to upgrade existing capabilities. The industry is dominated by the Ministry of Defence (MOD), which owns defense-related factories and development facilities. Some of these facilities are operated and supported by the private firms.

Thai defense expenditure is driven by factors such as security threats, Thai military modernization plans, border disputes and ongoing arms race within the Southeast Asian region. The nature of security threats in Thailand includes the terrorist activities in the troubled southern provinces, and occasional border conflicts with neighboring countries, human smuggling and drug trafficking. Prioritizing maintenance requirements versus new procurements will be the critical tasks of the Thai military. As a result, the Thai defense budget is expected to increase each year.

Sub-Sector Best Prospects[Return to top](#)

- Security and Safety Equipment (SEC)
- Airport and Ground Support Equipment (APG)
- Aircraft and Parts (AIR)
- Aviation Services (AVS)

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Thailand is one of the fastest growing defense markets in the world. In 2013, the Thai defense budget was set at over six billion U.S. dollars, a 12% increase from previous year. The expenditures of the Thai military are relatively small compared to other leading countries but still higher than some ASEAN countries. Thai defense expenditure is projected to continue to grow, and is expected to increase as a percentage of GDP from 1.44 in 2013 to 1.50% in 2014.

During 2007-2012, an average of 69% of the nation's defense budget was earmarked for overhead expenses while an average of 31% was spent on capital expenditure. However, during 2013-2016 the share of capital expenditure is expected to increase to 35% as the country focuses on force modernization and replacements of obsoleted military hardware. From the increase in capital expenditure, defense equipment suppliers will witness a surge in demand for advanced defense systems such as fighter jets, helicopters, armored vehicles, surveillance equipment, unmanned vehicles, warships and defense electronics.

Web Resources

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Ministry of Defense

Foreign Affairs Division, Office of Policy and Planning,

Tel: 662-225-7414, Fax: 662-226-1839

Website: http://www.mod.go.th/eng_mod/index.html , <http://www.mod.go.th/home.html>

Royal Thai Armed Force Headquarters

Office of Policy and Plans, Directorate of Joint Operations,

Tel: 662-575-6203, Fax: 662-575-6067

Website: http://www.rtarf.mi.th/EN/index_new_en.htm

Royal Thai Army

Policy and Plans Division

Directorate of Logistics

Tel: 662-297-7424, Fax: 662-297-7420

Website: <http://www.rta.mi.th/torbor.html>

Royal Thai Air Force

Policy and Plans Division

Directorate of Operations

Tel: 662-534-1457, Fax: 662-534-1378

Website: <http://www.rtaf.mi.th/index.asp>

Royal Thai Navy

Research and Development Division

Naval Operations Department

Tel: 662-475-5533, Fax: 662-475-7968

Website: <http://www.navy.mi.th/>

Defence Technology Institute (DTI),

Ministry of Defence, The Kingdom of Thailand

47/433, 4th Floor - Office of the Permanent Secretary of Defence Building.

Changwattana Road., Pakkred, Nonthaburi 11120

Tel: 662-980 6612-15, Fax: 662-980 6688

Website: <http://www.dti.or.th>

Commercial Service Bangkok Contact:

Mr. Kitisor Sookpradist – Commercial Specialist

American Embassy

E-mail: ksookpra@trade.gov

Website: <http://www.buyusa.gov/thailand/en>

Education Services[Return to top](#)

Unit: USD million

	2011	2012 (estimated)	2013 (estimated)	2014 (estimated)
Total Market Size	2,477	3,353	4,024	4,563
Total Local Production	902	1,013	1,064	1,157
Total Exports	0	0	0	0
Total Imports	1,575	2,340	2,960	3,406
Imports from the U.S.	903	1,060	1,241	1,295
Exchange Rate: 1 USD	31	30	29	28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Unofficial Estimate

In 2012, the demand for Studying abroad is still continue to grow as a result of preparation for ASEAN Economic Community (AEC), which will be effective in 2015. AEC will bring an economic cooperation to 10 Countries in ASEAN, which allows investors to invest in anywhere in these countries. It will open markets for free trade and become a single market for business transactions, investment, and education. High skill labor is required and English language will be used as business language among these countries. In comparison of English proficiency, Thailand is still lag far behind major ASEAN countries, e.g. Singapore, Malaysia, Philippine, and Indonesia. Then, Thais need to improve their English language skill in order to compete with other countries.

Since 2009, the number of English language schools and international schools are growing continually to serve parents demand on educating their children, an increasing number of foreign investors and employees in Thailand. By end of 2012, there were 39,000 students study in international schools. Half of them are Thais and the others are from Japan, United Kingdom, United States, India, and South Korea. Parents pay more attention in educating their children to learn foreign languages, especially English and Chinese languages. Student Exchange and summer programs are popular programs among youth and high school students. It is a pathway of learning western culture and English language. There is a strong trend that these students will continue their studying in oversea education. Study abroad agents in Thailand also actively promote the one year exchange programs as they earn good commission with less work and effort. The growth potential of this program is very high and more study abroad agents in Thailand have entered into this business.

At the university level, an international degree programs in both public and private universities have been growing every years. In 2012, there were over 300 international degree programs available in and more than 7,500 international undergrad students in Thailand, which 44 percent were from China, followed by Burma, South Korea and Vietnam.

The demand for studying abroad is still growing continually. By overall, 50 percent of Thai education market is dominated by postgraduates and higher education students, 25 percent undergraduate, and 25 percent high school and short term program students (one year exchange students and ESL students). The average English skill level of Thai

students is lower than university admission requirements, therefore, ESL and English intensive programs become one of factors that students will consider to enroll in the university, apart from tuition fee, and admission requirements. The popular academic programs are business administration, computer information, engineering, and mass communication.

The United States is still the number one destination for Thais to study abroad. However the numbers of students were lower in these past years. In 2012, there was an estimated amount of over 27,000 Thai students study in the United States. It is an expected that the number of students in the United States will be increasing in the next few years as Thai baht situation is getting stronger. The United Kingdom is a popular destination for one year MBA degree program, which offers few admission requirements. There was an estimated that Thai students were going to study in the United Kingdom over 12,000 students, which has been increasing year on year as a result of heavy promotion and good networking with study abroad agents locally. Australia has aggressive marketing and promotion throughout the year by working with agents to promote English course and 4 weeks cultural and English programs. It was an estimated that there are about 20,000 Thai students (all levels) currently studying in Australia, 4,000 students in New Zealand, 2,800 students in Canada, and 10,000 students in China.

Sub-Sector Best Prospects

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- Two year, Community College
- Business Administration, Graduate and Undergraduate Degree
- 4-6 weeks Summer Language Training and Cultural Programs
- One Year Exchange Program for High School
- Boarding High School

Opportunities

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Community College, two-year education program has a strong growth potential in Thailand. The lack of true understanding of the program causes the low number Thai student population in this subsector in the U.S. There are also growing numbers of bi-lingual schools. High school graduates from these schools are good potential for community college and undergraduate degree programs in the U.S.

The other growth potential is high school students from Thailand. Canada, New Zealand and Australia are the major destinations. School fees in these countries are more competitive than fees of schools in the United States and United Kingdom. Besides, most of the schools in Canada, New Zealand and Australia work with agents to promote their institutions, while most of the schools in United States have not.

Web Resources

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Office of the Civil Service Commission (OCSC)

Education and Training Abroad Branch
47/111 Tiwanon Road, Talad Kwan Sub-District,
Muang District, Nonthaburi 11000
Tel: 66 2547 1000
Website: <http://www.ocsc.go.th>

Department of Consular Affairs, Ministry of Foreign Affairs

123 Changwattana Rd., Lak-si,

Bangkok 10210

Tel: 662 981-7171

Website: <http://www.consular.go.th>

CS Bangkok Contact:

Mrs. Thanyathorn Voravongsatit – Commercial Specialist

U.S. Commercial Service

American Embassy

E-mail: tvoravon@trade.gov

Website: <http://www.export.gov/thailand>

Food Processing and Packaging Equipment (FPP)[Return to top](#)

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	3,282	4,430	5,420	6,442
Total Local Production	3,220	3,634	4,247	5,044
Total Exports	2,254	2,544	2,973	3,541
Total Imports	2,316	3,340	4,146	4,939
Imports from the U.S.	155	192	270	346
Exchange Rate: 1 USD	31	30	29	28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources:

Total Local Production: estimate from industrial sources

Total Exports: Customs Department

Total Imports: Customs Department

Imports from U.S.: Customs Department

Thailand is the world 12th largest food exporter, contributing to nearly 3% of the world market. As one of Thailand's most important industries, the food industry is expected to increase its annual export earnings by 6% in 2013 to earn a total of \$32.4 billion. The industry's main strengths lie in Thailand's agricultural traditions and abundant natural resources. It is further enhanced by growing investments in the processing industry that create market for food processing and packaging machinery.

Processed food accounts for 38% of the overall food exports from Thailand, and is expected to have increasing demand in both export and domestic markets. The industry is estimated to have more than 10,000 food processing companies, both local and global firms. Some of the major companies are Nestle, Saha Pathana Inter Holding, Patum Rice Mill & Granary, Royal Friesland Foods NV, Unilever, Thai Union, Dole Thailand, Charoen Pokphand Group, Betagro, Saha Farms, Thai Beverage, Kellogg's, Kraft, PepsiCo, Del Monte, Procter & Gamble, Ajinomoto, and Ef-fem food.

Sub-Sector Best Prospects[Return to top](#)

Best sales prospects for U.S. food processing and packaging equipment include:

- Refrigerating or freezing equipment
- Machinery for the extraction or preparation of animal or fixed vegetable fats or oils
- Machinery for the treatment of materials by a process such as heating, cooking, roasting, distilling, rectifying, sterilizing, pasteurizing, steaming, drying,
- Packaging machinery (such as film making machines, form-fill-seal machines, heat sealers) and materials
- Machines for cleaning, sorting or grading eggs, fruit or other agricultural produce
- Meat processing equipment
- Bakery equipment

Increasing demand for processed food can be expected to drive expansion and technology improvement of Thailand food processing industry. The export-oriented segment of the industry is driven to make constant improvement in its capacity and technological capability to meet international quality standards, food safety, and R&D requirements. Meanwhile, changing of lifestyle among Thai consumers that increase demand for convenient meals and snack will also expand demand for food processing and packaging machinery.

Major imported food processing and packaging equipment are Japan, China, Germany, U.S.A. and Korea. Japanese machinery leads the market with 35 percent share. Imports from China dominated the low-end segment with 18 percent. Imports from Germany account for 10% share of the market mainly that of high quality and price segment. German products are reputable for being the best, while Japanese products are favored by Japanese investments. The market identify both to have reliable after-sales service.

U.S. imports accounts for six percent of the market and their product quality have been well-received. They are competitive in the equipment related to change of temperature (freezing, heating, refrigerating, pasteurizing, steaming, drying, evaporating, condensing), sorting or grading eggs, fruit or other agricultural produce.

Web Resources[Return to top](#)**The Thai Packaging Association**

MIDI Building, 86/6 Soi Treemit, Rama 4 Road, Klongtoey
Bangkok 10110 Thailand
Tel: 662-712-1995, 662-712-3556
Website: <http://www.thaipack.or.th>
E-mail: thaipack@thaipack.or.th

Trade Shows:***ProPak Asia 2013***

Date: Wednesday 12- Saturday 15 June, 2013
Venue: Bangkok International Trade & Exhibition Center (BITEC)
Website: <http://www.propakasia.com>
Contact: Ms.Kanyasa Mittrakasem
Tel: 662-615-1255
E-mail: kanyasa@besallworld.com

THAIFEX-World of Food Asia 2013

Date: 21-25 May, 2014
Venue: IMPACT Exhibition Center, Bangkok
Website: <http://www.worldoffoodasia.com/index.php?q=fair>
<http://www.koelnmesse.com.sg/index.php?q=thaifex-world-food-asia>

US Embassy Contact

Ms. Wanwemol Charukultharvatch, Commercial Specialist
U.S. Commercial Service
Tel: 662-205-5272 (direct)
Email: wcharuku@trade.gov

Unit: USD million

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	1,617	2,011	2,497	3,103
Total Local Production	2,673	3,019	3,539	3,974
Total Exports	2,439	2,777	3,160	3,600
Total Imports	1,383	1,770	2,196	2,729
Imports from the U.S.	335	412	511	635
Exchange Rate: 1 USD	31	30	29	28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: unofficial estimates

The market for medical devices in Thailand is expected to grow 20 percent in 2013 and 2014. Healthcare facility upgrade and expansion will still be the factors for growth in this market during the next few years (2013 to 2014). The continued efforts to become a medical hub in Asia and the continued traffic of international patients are the two major reasons for healthcare facility upgrade. Merger and acquisition would be the means of expansion for major hospital chains than investing in a new facility. Thailand remains heavily dependent on imported medical devices. Imports dominate the market with 88 percent share, and local production still concentrates on low technology and less sophisticated medical devices and accessories. Imports from the United States lead the import market with a 23 percent share and are expected to have an average growth of 24 percent in 2013. Most major international manufacturers are well represented in the Thai market.

Thailand relies on the import of medical devices, especially sophisticated, higher-end devices. Local production is still limited to products that are labor intensive. Locally produced products include reagents, simple disposable test kits, disposable syringes, artificial legs and other orthopedic accessories, and other simple disposable items. In addition, Thailand is a major producer of examination and surgical latex gloves and non-disposable medical gowns and uniforms.

Public hospitals are still a major consumer of medical devices and supplies in Thailand. They account for approximately 60 percent of total purchases. Private hospitals have approximately a 40 percent share of the demand. The Ministry of Public Health reported that in 2010 there were 999 public hospitals with a combined 105,000 beds. There were 322 private hospitals with a combined 33,405 beds.

Medical devices are normally imported by, and brought to the market through, agents and/or distributors. Generally, an agent is appointed for a limited period of time, with the agreement renewable at the end of each term. Normally, the agent will keep stocks of low-priced items only. Stocks of large or more costly items will be ordered on an as-needed basis. The agent's role not only covers marketing of the medical devices, but also covers clearing customs with the Thai Customs Department and taking necessary steps to arrange for product registration and import authorization from the Thai Food and Drug Administration (FDA). Thai FDA regulates importation of medical devices and accessories. Product registration with the Thai FDA is required prior to importation.

Use of local agents or distributors is highly recommended for marketing medical devices in Thailand. The agent provides immediate access to an established marketing network and in-depth knowledge about pertinent regulations. Buyers and end-users expect a local representative to handle after-sales service and stock spare parts. The agent also should be expected to develop close personal relationships with the buyers and end-users, an important factor in future procurement decisions.

Sub-Sector Best Prospects

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- Heart valves and artificial blood vessels.
- Disposable diagnostic test kits.
- Dental Products
- Respiratory devices and oxygen therapy.
- Rehabilitation equipment and accessories.
- Orthopedic and Implant devices and accessories.
- Minimum invasive surgical devices.
- Dermatological devices.
- Neurosurgical and other surgical devices and accessories.

Opportunities

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The market growth in the next two years (2012 to 2013) will continue to derive mainly from the demands for an upgrade and expansion of the existing health care facilities and medical devices as well as accessories replacement. The government still promotes medical tourism as a mean to attract more international visitors to the country. International patients will still be the main target for most leading private hospitals in Thailand. Most hospitals will try to expand their specializations and use them as the marketing tools to attract patients both local and international. Uses of cutting edge medical equipment have been used as a promotional campaign to draw customers' attention.

Investment in new healthcare facilities will still be very limited due mainly to the heavy financial and capital investment. Takeover, merging and buyout of private hospitals will still be used as a mean to expand and to create purchasing and negotiating powers with suppliers.

Dermatological clinics still remain a popular sector with very good growth potential. The numbers of dermatological clinics have increased rapidly during the past few years and are expected to grow a lot more in the next year or two. More new players enter the market every year. It creates higher demand and business potential for electro surgery devices and other dermatological devices and accessories.

Web Resources

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Food and Drug Administration

Ministry of Public Health

www.fda.moph.go.th

Thai Medical Device Technology Industry Association

Website: www.thaimed.co.th

Commercial Service Bangkok Contact:

Ms. Kornluck Tantisaeree – Commercial Specialist

U.S. Commercial Service

American Embassy

E-mail: ktantisa@trade.gov

Website: <http://www.buyusa.gov/thailand/en>

	Unit: USD thousands			
	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	2,032	2,780	3,058	3,364
Total Local Production	2,104	2,127	2,340	2,574
Total Exports	2,043	2,065	2,271	2,498
Total Imports	1,971	2,718	2,989	3,288
Imports from the U.S.	158	214	235	258
Exchange Rate: 1 USD	30	31	29	28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: Customs Department

Note: Statistics above are unofficial estimates, obtained from partially available data.

Thailand's pollution control equipment market mainly exists in the wastewater segment which accounts for half of the total market. Solid waste treatment equipment and air pollution control equipment represent 30 percent and 20 percent, respectively.

According to survey of the Pollution Control Department, Thailand generated fifteen million tons of municipal waste per year. Twenty-one percent of waste was from Bangkok, forty percent from Pattaya city, with the remaining thirty-nine percent from the rest of the country. Both private sector and municipalities are interested in waste-to-energy technologies.

In the fall of 2011, Thailand suffered its worst flooding in over 50 years. Hundreds of thousands of homes were inundated with water. Seven large industrial parks flooded and many business operations ground to a halt. A drastic increase of 37% import likely resulted from rehabilitation efforts and new flood prevention infrastructure, built by both public and private sector.

In July 2012, the Thai government invited both Thai and foreign firms to propose flood control and water management plans and in February 2013, the cabinet announced the names of six qualified foreign-Thai consortiums to enter bids for the country's 10 modules of water management scheme.

Sub-Sector Best Prospects

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Water/wastewater: microfiltration, ultrafiltration, pumps (submersible, centrifugal, aerator/mixer, dosing and vacuum), valves (sleeve valve, solenoid valve), scrapers, sludge dewatering equipment (filter presses, belt press, small dewatering systems) and screening machines (bar screens, shredding screens), magnetic flowmeters, large chlorinators for water/ wastewater systems, water recycling technologies, zero-discharge system.

- Solid waste: recycling system and technologies
- Air emission management: industrial emission monitoring equipment

- Waste-to-energy technologies: such as plasma gasification for municipal waste

Opportunities

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U.S. products are utilized in higher-valued projects. European and Japanese suppliers are major competitors in this segment. U.S. products are well-recognized for high-quality, durability and ease for operation and maintenance.

Web Resources

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Ministry of Natural Resources and Environment

92 Soi Phohol Yothin 7, Phohol Yothin Road, Sam San Nai, Phayathai, Bangkok 10400

Tel. (+66) 2-278-8500

<http://warehouse.mnre.go.th/dnn/AboutMinistry/History/tabid/420/Default.aspx>

Pollution Control Department

92 Soi Phahon Yothin 7, Phahon Yothin Road, Sam Sen Nai, Phayathai, Bangkok 10400

Tel. (+66) 2-298-2000

Fax. (+66) 2-298-2002

URL: http://www.pcd.go.th/about/en_ab_mission.html

Trade Shows:

Entech Polutec/ Renewable Energy/ Pumps & Valves Asia 2013 (annual show)

Date: June 5-8, 2013

Venue: Bangkok International Trade and Exhibition Center (BITEC)

Website: <http://www.entechnpollutec-asia.com/>

Commercial Service Bangkok Contact:

Mr. Nalin Phupoksakul – Commercial Specialist

U.S. Commercial Service

American Embassy

E-mail: nphupoks@trade.gov

Website: <http://www.buyusa.gov/thailand/en>

Unit: USD thousands

	2011	2012	2013 (estimated)	2014 (estimated)
Total Market Size	3,372	3,432	3,535	3,641
Total Local Production	1,745	1,751	1,803	1,857
Total Exports	1,692	1,748	1,800	1,854
Total Imports	3,319	3,429	3,532	3,638
Imports from the U.S.	188	194	199	205
Exchange Rate: 1 USD	31	30	29	28

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: The Custom Department, Thailand

Note: Statistics above are unofficial estimates, obtained from partially available data.

In 2011, Thailand's energy consumption was 1.8 million barrels of oil equivalent, and the country spent approximately \$58 billion on energy. Despite proven local reserves of 214 million barrels of crude oil, 238 million barrels of condensate, 10 trillion cubic feet of natural gas, and 2,059 million tons of lignite, the country imported over 55% of its energy supplies. 84% of its crude oil requirements was imported from the Middle East while 20% of natural gas from Myanmar. Almost all of the country's natural gas fields are located offshore in the Gulf of Thailand. Although natural gas production has risen steadily in recent years, it is still not enough to keep up with the growth in domestic consumption. About one-third of natural gas supply is primarily used to generate electricity. The remainder is used for industrial fuel, transportation fuel and petrochemical feedstock. The country's primary energy demand is projected to grow at 4-5 percent annually over the next 28 years. To cope with energy security issue, Thailand has implemented the 15-year (2008-2022) Renewable Energy Development Plan with the aim of having alternative energy account for 25 percent of the total energy consumption by 2022.

To date, Thailand has commissioned a total of 84 petroleum exploration and production blocks, consisting of 44 onshore blocks, 37 blocks in the Gulf of Thailand and three blocks in the Andaman Sea. At present, there are over 250 offshore oil-and-gas platforms and about 3,000 km long of subsea pipelines. The country's oil and gas industry is dominated by PTT Group, formerly the Petroleum Authority of Thailand. PTT Exploration and Production (PTTEP), a subsidiary of PTT, has a stake in many of Thailand's natural gas producing fields, including Bongkot, the largest field. PTT has set an aggressive investment plan over the next 20 years, focusing on upstream and downstream sectors, alternative energy and petrochemical industry. Chevron is the largest foreign operator, supplying one-third of Thailand's natural gas production. All the natural gas and condensate Chevron produces for Thailand is sold to PTT and the gas is transported via PTT's subsea pipelines to the gas separation plants in the Map Ta Phut Industrial Estate. PTT is also looking at expediting the expansion of its Liquefied natural gas (LNG) receiving terminal to cope with the country's faster-than-expected growth in natural gas demand. Today, Thailand is a net exporter in intermediate and downstream petrochemicals, polymers and plastic products. China and ASEAN are the primary

export destinations. Thailand attracts global investments from blue chip corporations such as Dow Chemical, Exxon, Mitsui Chemical and Mitsubishi Chemical. Thai-owned conglomerates like Siam Cement Group and PTT are one of the largest integrated petrochemical companies in Thailand and key players in the region.

Sub-Sector Best Prospects

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Oil and gas equipment and machinery with high sales potential in the Thai market are as follows:

- Exploration and production technologies, services, and equipment
- Engineering and structure steel fabrication services
- Gas separation technology and process control equipment
- High pressure vessels for natural gas vehicles (NGV)
- Petrochemical and chemical technologies equipment
- Pumps for dispersing fuel or natural gas
- Environmental protection equipment

Opportunities

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Thailand's oil and gas sector is highly dependent on foreign equipment and engineering services. Usually, the US is a leading supplier for high-quality equipment especially in harsh applications where safety is critical. Import tariff rates typically range from 20-35 percent.

Web Resources

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Ministry of Energy

555/2 Energy Complex Building B, 22-25th Floor, Vibhavadi-Rangsit Rd., Chatuchak, Bangkok 10900

Tel: (+66) 2-140-6000

URL: <http://www.energy.go.th/?q=en/>

Department of Mineral Fuels

Energy Complex Tower B 21-22th floor, 555/2 Vibhavadi Rangsit Road, Chatuchak, Bangkok, 10900

Contact details: <http://www.dmf.go.th/index.php?act=contact>

Website: www.dmf.go.th

Energy Policy And Planning Office (EPPO)

121/1-2 Phetchaburi Road, Thungphayathai, Ratchathewi, Bangkok 10400

Tel: (+66) 2-612-1555

Fax: (+66) 2-612-1358

Website: <http://www.eppo.go.th/index-E.html>

Petroleum Institute of Thailand

11th Floor, Energy Complex Building B, 555/2 Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900

Tel: (+66) 2- 537-0440-8

Fax: (+66) 2-537-0449

Website: <http://www.ptit.org/index.php>

PTT Public Company Limited

555 Vibhavadi Rangsit Road, Chatuchak

Tel: (+66) 2- 537-2000

Fax: (+66) 2-537-3498-9

Website: <http://www.pttplc.com/en/Default.aspx>

Trade Shows:**OTC Asia 2014**

March 25-28, 2014

Kuala Lumpur, Malaysia

Website: <http://www.otcasia.org/2014/>

The 20th International Oil and Gas Industry Exhibition & Conference (OSEA 2014)

December 2-5, 2014

Marina Bay Sands, Singapore

Website: <http://osea-asia.com/>

Commercial Service Bangkok Contact:

Mr. Nalin Phupoksakul – Commercial Specialist

U.S. Commercial Service

American Embassy

E-mail: nphupoks@trade.gov

Website: <http://www.buyusa.gov/thailand/en>

Unit: USD million

	2011	2012	2013 (Estimated)	2014 (Estimated)
Total Market Size	14,490	18,900	21,000	23,100
Total Local Production	14,283	25,366	28,113	30,924
Total Exports	21,893	25,703	28,273	31,100
Total Imports	22,100	19,237	21,160	23,276
Imports from the U.S.	1.35	1.44	1.58	1.73
Exchange Rate: 1 USD	31	30	29	29

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

Data Sources: The Custom Department, Thailand

The coming of full commercial 3G service is expected to stimulate industry growth in the second quarter of this year. As of January 2013, mobile penetration stands at 113% in Thailand, with 79 million discrete users in a population of 70 million.

According to International Data Corporation (IDC), the value of the Thai ICT (information and communication technology) market is expected to grow by 10 percent to \$ 21 billion. ICT spending will be driven by both the enterprise and consumer markets. In addition, Heavy investment on infrastructure for the new technology of cellular networks is expecting for this coming years.

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Telecommunication operators will install and improve their existing cellular stations as well as develop new base transceiver stations, radio base stations, supporting facilities, and switching equipment with the introduction of third generation (3G) technology.

U.S. suppliers who specialize in mobile applications, speech recognition software, billing applications, and network management applications are well positioned to supply this expanding network.

U.S. exporters are strongly encouraged to appoint local agents to deal with regulation related-issues, bureaucratic procedures, local business practices and marketing. For telecommunications equipment, foreign suppliers require a distributor to submit approval applications to the National Telecommunications Commission.

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Once 3G service becomes available, mobile data service growth rate will show at 14 percent. As a result, the total market value of mobile data service is expected more than \$ 1.7 billion. In addition, Thailand's smart-phone market will expand by 40% to 7.3 million units. The tablet market will also grow at the similar rate, with total shipments of 3.5 million units. The two main platforms of smart devices are Android and iOS, with Windows Phone and Blackberry as the other choices.

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Trade Shows:**Commart Thailand**

Date: March 22-25, 2012
Venue: Queen Sirikit National Convention Center
Website: <http://www.commartthailand.com>

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BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

COTTON

Thailand relies heavily on imported cotton as domestic production accounts for less than 5 percent of domestic needs. In CY2011, the value of cotton imports increased to \$1.1 billion, up 52 percent from the previous year due to much higher world cotton prices. However, import volume was 319,881 metric tons, down 17 percent from the previous year. A good portion of this drop can be attributed to severe flooding that directly affected some cotton producers operations and indirectly caused a drop in demand as GDP dropped 9.0 percent contraction in the fourth quarter of 2011. Capacity utilization for the Thai spinning industry declined to 45 percent in the fourth quarter of the year, as compared to an average of 62 percent in the first nine months of 2011, and an average of 74 percent in 2010. In 2012, cotton import volume will likely increase slightly as the textile industry is expected to fully recover in the second half of the year. Also, the Government expects the economy will grow 5.5 -6.5 percent in 2012.

Thai import of U.S. cotton doubled to \$487 million in 2011. Import volume increased 10.4 percent from the previous year due to tight supply of major exporting countries. The market share of U.S. cotton increased to 43.2 percent, as compared to 31.6 percent in the previous year. In 2012, U.S. cotton's share is expected to decline slightly as other suppliers should improve their competitive situation.

Annual Imports from All Origins (USD thousands)					Annual Imports from the U.S. (USD thousands)				
2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
580,102	726,442	488,880	740,098	1,125,447	225,203	306,306	191,545	233,741	486,617

WHEAT

In 2011, the value of Thailand's imports of wheat and flour totaled \$635 million, up 19.0 percent from the previous year. However in volume term imports actually fell 16.1 due to world wheat prices that were more than 30 percent higher than the previous year. The total volume of wheat and flour imports was 1.4 million tons. Domestic demand for wheat-based food products, which accounted for 80 percent of total wheat and flour demand, was significantly affected by severe flooding in the last quarter of 2011. In 2012, wheat import volume will likely increase to 1.4 – 1.5 million tons in anticipation of stronger demand for milling and feed wheat following economic recovery, particularly in the second half of the year.

Thai imports of US wheat totaled 422,904 metric tons in 2011, down 20.1 percent from 529,520 metric tons in 2010. However, the value of U.S. wheat imports increased 5.7 percent due to higher wheat prices. Market share for U.S. wheat declined slightly from 31 to 30 percent. Meanwhile, the imports of Australian wheat increased by 46.4 percent to 642,451 metric tons, of which around 200,000 – 300,000 tons are expected to be feed-grade wheat as Australia's crop quality was adversely affected by unfavorable

weather conditions. Strong import demand for feed wheat in Thailand reflected the substitution of wheat for corn in feed mills due to high domestic corn prices and corn import constraints. Feed wheat import demand will likely remain strong in 2012 as current domestic corn prices are approximately 15- 20 percent higher than imported feed wheat prices.

Annual Imports from All Origins (USD thousands)					Annual Imports from the U.S. (USD thousands)				
2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
346,206	413,540	362,927	533,579	634,955	153,490	179,521	147,362	159,435	168,447

SOYBEANS

Domestic soybean production remains small and stagnant at about 170-180,000 tons annually, as reported by the Office of Agricultural Economics (OAE) of the Ministry of Agriculture and Cooperatives (MOAC). Domestic productions supplied less than 10 percent of a total estimated demand of 2 million tons in 2012.

Thai Vegetable Oil Co. (TVO) and Thanakorn Vegetable Oil Products Co. (TVOP) are currently the largest two soybean oil crushers in Thailand, running the capacity of 6,000 tons/day and 3,800 tons/day respectively. Out of 10 soybean crushing mills in Thailand, TVO and TVOP utilize 90 percent of soybeans destined for oil crushing.

Thailand is a promising market for imported soybeans for soybean oil crushing. Soybean oil crushers in Thailand are quality conscious since they need to produce high-quality soybean meal from imported soybeans to compete with imported soybean meal. In light of this and according to trade sources, the two largest crushers have a preference to source imported soybean supplies from Brazil due to relatively higher protein and oil content than other sources including the US. Opportunities for U.S. soybeans are usually best immediately after the harvest season (November-February) when U.S. supplies are plenty and prices competitive.

Demand for soy-based food will continue to grow steadily in line with health trends as consumers perceive that these products provide nutritional benefits. The soy-based food industry prefers domestic soybeans to imported beans due to freshness and GM-free assurance. However, with an annual two-digit growth in this market in recent years and stagnant local soybean supplies, processors are increasingly relying on imported soybeans to meet their needs. In 2012, soymilk processors should import 35,000-40,000 tons of non-GM food grade soybeans (mainly from the US and Canada) to meet demand.

Under the Agreement on Agriculture, Thailand has a tariff rate quota (TRQ) of 10,922 tons and 20 percent tariff rate, however due to lack of domestic supplies, Thailand usually goes well beyond its TRQ commitment. On November 25, 2010, the Thai Cabinet approved unlimited quota for soybeans imported from WTO member countries from 2011-2013 subject to zero tariff. If a TRQ were to ever be imposed, out-of-quota imports would be subject to 80 percent tariff rates. Details of the Cabinet's agreement can be found in the following report dated November 23, 2009: ["TRQs for Soybeans and Some Feed Ingredients Approved"](#).

The TRQ was implemented with the idea that Thailand would be able to increase its production in order to offset imports. However the Government has realized that Thailand lacks a comparative advantage in soybean production, and has reduced its effort to increase domestic soybean production. Nonetheless, in order for eligible soybean importers to receive import permits, they are required to purchase domestic soybeans at government-determined prices.

Annual Imports from All Origins (USD thousands)					Annual Imports from the US (USD thousands)				
2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
606,843	975,960	698,154	820,437	1,128,205	157,600	96,623	197,611	116,864	203,599

FRESH FRUIT

Thailand's fresh fruit imports increased by 28 percent to USD 363 million in 2011, as compared to USD 284 million in 2010. The 30-40 percent import tariffs on U.S. fresh fruits are a major constraint hindering growth in this market. Free Trade Agreements between Thailand and China, Australia and New Zealand that lower Thailand's tariffs for those countries' fruits create an additional challenge for U.S. producers. Despite these difficulties, U.S. fruit exports have continued to increase as demand for fresh fruit consumption in Thailand is large and growing. Fruit is an important part of the Thai diet and Thai consumers now are becoming more health conscious. This has led to an increase in consumption of fresh fruits from 94 kilograms per capita in 2007 to 98 kilograms per capita in 2010. Apples, grapes, and cherries are the major U.S. fruits exported to Thailand, followed by strawberries, stone fruits and citrus.

Grapes: Imported grapes have been increasing in popularity among Thai consumers. About 57,898 tons of imported grapes are available in Thailand. Primary sources for imports are China (68 percent), the United States (16 percent), Chile (6 percent), and Australia (5 percent). California seedless grapes (Crimson, Flame, Thompson, and Autumn Royal) are popular among Thai consumers. New varieties have also been successfully introduced to Thai consumers such as Sugraone, Princess and Scarlet Royal. Chinese grapes are the major competition for California grapes. In particular, Chinese red seeded grapes compete against California's Red Globe variety. Despite strong competition, imports of California grapes have been increasing each year. U.S. imports from 2007-2011 grew at a cumulative rate of 9 percent reaching 9,042 tons in 2011. Although consumer surveys still show U.S. grapes are firmer, look and taste better, and have a more consistent size and quality than Chinese grapes, China has gained market share due to its tariff advantage and more competitive prices. Less-expensive domestic fruit and low-cost Chinese fruits have eroded the market share of California grapes from 47 percent in 2005 to 16 percent as of 2011.

Cherries: U.S. cherries are very popular among Thai consumers due to their consistently good taste and high quality, and they are a typical gift for special occasions. As Thailand cannot grow cherries, domestic consumption of cherries is entirely dependent upon imports from other countries. In 2011, U.S. cherry exports to Thailand increased by 16 percent to \$2.7 million, despite a 40 percent tariff. Still, seasonal availability and relatively high prices have limited Thai imports of U.S. cherries. Cherries are commonly available in both modern and traditional retail markets. Major competitors include

Australia, New Zealand, and Chile. However, the U.S. is still the leading exporter with a 37 percent market share followed by Australia with 24 percent, and New Zealand with 20 percent.

Apples: Imports of U.S. apples increased by 13 percent from \$16 million in 2010 to \$18 million in 2011. Washington Red Delicious, Gala, and Granny Smith varieties are popular and well-established in Thailand. Other Washington apple varieties available in the market are Fuji, Golden Delicious, Honeycrisp and Cripps Pink. Washington organic apples have been continuously imported for up-scale markets.

China, New Zealand and the United States accounted for over 93 percent of total apple imports in 2011. Thailand imported the most from China, which had 65 percent of total imports. New Zealand followed with 15 percent market share while the United States ranked third with a 14 percent share.

Annual Imports from All Origins (USD thousands)					Annual Imports from the U.S. (USD thousands)				
2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
183,597	219,168	257,246	284,362	363,191	24,438	27,396	28,343	32,720	39,185

WINE

Thailand imports most of its wine from France, Australia, Italy, the United States, and Chile. The total value of imported wines has grown from \$25 million in 2007 to \$44 million in 2011. France leads with a 40 percent market share, followed by Australia with 33 percent, Italy with 7 percent, Chile with 6 percent, and the United States with 6 percent.

Although drinking beer and spirits is more prevalent among the citizens and residents of Thailand, consumption of wine is increasing. Thai wine consumption is forecasted to increase due to growing consumption among mid- and high-income consumers in urban areas and an expanding awareness of wine as a healthy drink in moderation. In addition, there have been a growing number of restaurants serving wine in recent years, making wine more accessible to Thai consumers. However, high tariffs, excise taxes and other tax burdens on imported wines restrain growth. Australian wines also have an advantage over U.S. wines due to FTA tariff differentials. Thai consumers perceive U.S. wines as expensive and for the high-end market, while Australian, Italian and Chilean wines are viewed as more affordable. Although consumers now enjoy the greater variety of wine available on the shelves in hypermarkets, supermarkets and wine shops, price is still the key factor determining growth in consumption. In Thailand, red wine accounts for 77 percent of the total wine market. The most popular varieties for red wines are Cabernet Sauvignon, Shiraz, and Merlot. Chardonnay and Sauvignon Blanc are well known in the white wine category, and there is potential for growth in the still small market segments of dry white, sweet, and dessert wines.

Annual Imports from All Origins (USD thousands)	Annual Imports from the U.S. (USD thousands)
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2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
25,175	32,904	33,071	32,167	44,411	1,364	1,093	1,630	1,343	2,488

DRIED FRUITS AND NUTS

Thailand's market for imported dried fruits and nuts has been growing every year, with imports from the United States in 2011 totaling 3,607 metric tons (\$16 million in value). Demand is expected to continue to increase as the Thai bakery and snack food sector expands and bakers and manufacturers increase the proportion of dried fruits and nuts in their recipes. Bakers and manufacturers compete by highlighting the quality of their ingredients and their health benefits. In addition, Thailand also processes imported nuts for domestic consumption and export, which results in a significant level of imported almonds and pistachios as raw materials. U.S. raisins, cranberries, blueberries, almonds, pistachios, and walnuts have all been well received by Thai consumers. Consequently, demand for U.S. dried fruits and nuts in the Thai market should remain strong. However, Thailand's recent free trade agreements with China and Australia have put pressure on U.S. dried fruit exporters as the tariffs on these two countries products have been removed while the U.S. tariff remains at 30 percent.

Annual Imports from All Origins (USD thousands)					Annual Imports from the U.S. (USD thousands)				
2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
36,126	47,727	46,169	70,914	125,509	11,396	10,381	10,255	15,628	16,208

SNACK FOOD

Thailand's snack food market is one of the largest and most diverse in the Asia-Pacific region, and it has strong potential for further growth. The market is divided into five main segments: potato chips, extruded snacks, fish snacks, prawn crackers, and peas and nuts. The potato chip market is estimated to account for 30 percent of the overall snack market. Thailand's growing urban population is stimulating demand for processed convenience foods. In 2011, the overall market for imported snacks, excluding nuts, was USD 230 million of which the U.S. holds only a 3 percent share. The market continues to grow annually as consumer tastes and preferences become increasingly sophisticated. Growth of snack food sales is often fueled by new products with novel flavors and new ingredients. The increased awareness among Thai consumers of healthy eating is expected to increase demand for products that are low in sugar, cholesterol and salt. Opportunities exist for U.S. potato chips, extruded snacks, confectionaries, dried fruits and nuts if products with the right price and flavor combination are introduced into the market.

Annual Imports from All Origins (USD thousands)					Annual Imports from the U.S. (USD thousands)				
2007	2008	2009	2010	2011	2007	2008	2009	2010	2011

107,841	136,350	140,299	170,735	230,034	6,304	7,012	6,767	5,406	6,307
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Import Tariffs

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Thailand's average applied Most Favored Nation (MFN) tariff rate was 9.8 percent ad valorem in 2011. About one-third of Thailand's MFN tariff schedule involves duties of less than 5 percent, and almost 30 percent of tariff lines are MFN duty free, including for products such as chemicals, electronics, industrial machinery, and paper. Thailand has bound all tariffs on agricultural products in the WTO, but only around 70 percent of its tariff lines on industrial products.

Thailand has bound its agricultural tariffs at an average of 39.9 percent ad valorem, compared with its average applied MFN tariff on agricultural products of 22 percent. MFN duties on imported processed food products typically range from 30 percent to 50 percent, which limits the ability of U.S. exporters of such products to compete in the Thai market. Tariffs on meats, fresh fruits (including citrus fruit and table grapes) and vegetables, fresh cheese, and pulses (e.g., dry peas, lentils, and chickpeas) are similarly high.

Thailand's average bound tariff for non-agricultural products is approximately 25.5 percent. Thailand imposes high tariffs in some sectors. For example, Thailand applies import tariffs of 80 percent on motor vehicles, 60 percent on motorcycles and certain clothing products, 54 percent to 60 percent on distilled spirits, and 30 percent on certain articles of plastic and restaurant equipment. Thailand charges tariffs of 10 percent to 30 percent on certain audiovisual products. Thailand applies a 10 percent tariff on most pharmaceutical products, including almost all products on the World Health Organization list of essential medicines.

Thailand maintains the same list of tariff-rate-quota (TRQ) from its commitments under WTO agreement on agriculture since 2004. Thailand imposes domestic purchase requirements for several tariff-rate quota products, including nonfat dry milk, soybeans, soybean meal, and fresh potatoes.

Trade Barriers

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In addition to high duties, other Thai policies continue to impose tough barriers on imports of products. Thailand has imposed problematic labeling requirements for snack foods. Such requirement creates a strong potential of impeding U.S. exports of these products.

Phytosanitary (SPS) measures continue to be a source of concern for the United States. SPS Standards for certain agricultural products also often appear to be applied arbitrarily and without prior notification.

For information on the latest 2013 National Trade Estimate, please go to the following website: <http://www.ustr.gov>

Import Requirements and Documentation

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IMPORT LICENSE REQUIREMENTS

Import licenses are required for 26 categories of items, down from 42 categories in 1995-1996. Licenses are required for the import of many raw materials, petroleum, industrial, textiles, pharmaceuticals, and agricultural items. Imports of some items not requiring licenses nevertheless must comply with applicable regulations of concerned agencies, including, in some cases, extra fees and certificate of origin requirements.

Additionally, a number of products are subjected to import control under other laws:

- Importation of processed foods, medical devices, pharmaceuticals, vitamins, and cosmetics require licensing from the Food and Drug Administration, Ministry of Public Health.
- Importation of tungsten oxide, tin ores, and metallic tin in quantity exceeding two kilograms require permission from the Department of Mineral Resources, Ministry of Industry.
- Importation of arms, ammunition, or explosive devices requires licensing from the Ministry of Interior.
- Importation of antiques or objects of art, whether registered or not, require permission from the Fine Arts Department, Ministry of Education.

IMPORT/EXPORT DOCUMENTATION REQUIREMENTS AND CERTIFICATION

General customs clearing procedures for both imports and exports in Thailand require the submission of a Customs' export entry form or import entry form. The form should be accompanied by standard shipping documents, which include: commercial invoice, packing list, bill of lading/airway bill, and letter of credit. Some products may require import/export license and/or authorization from relevant agencies. These include food products (processed or unprocessed), pharmaceuticals, medical devices, healthcare products, cosmetics, hazardous substances, animals, and some agricultural products. As of January 29, 2002, Thailand has already eliminated its requirement of a certificate of origin for information technology imports pursuant to the WTO Information Technology Agreement. In general, use of a freight forwarder to deal with import and export customs clearing in Thailand is highly recommended.

U.S. Export Controls

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For information on the latest U.S. export and re-export regulations, please go to the following website: <http://www.bis.doc.gov/>

As a member of the World Customs Organization, Thailand has been using A.T.A. Carnet. This treaty facilitates the duty exemption of goods temporarily imported for exhibitions, exposition meetings, training, seminars and international conferences. Imported goods used for free distribution (such as T-shirts, caps, scarves, pens, etc.) or for exchange between attendees of international meetings (related to the development of economy, social and/or technology aspects) are exempt from duty. The goods should have a logo or symbol related to the meeting, and the value of goods should be relatively inexpensive. At present, the Thai Customs grants duty exemption on exhibition goods for use only at exhibition sites, for the repair of professional equipment, product samples, and scientific/technological equipment. If the goods are not re-exported within six months, duties and tax will then be levied. The entry of temporary imported goods and exhibit materials can be handled by freight forwarding companies for customs clearance and other required procedures. For further information, please see chapter 9 – Temporary Entry of Goods and Exhibit Materials and visit the section on Customs Procedures at the Thai Customs Department web site: <http://www.customs.go.th>

WARRANTY AND NON-WARRANTY REPAIRS

U.S. companies based in Thailand can be exempted from import duties for items which are brought into the country and which had left the country before. This is normally the case of repair and service products.

Goods imported for repairing means:

- 1) Exported goods that were damaged then shipped back to for repair and re-exported to the same buyer;
- 2) Exported goods not meeting required standards shipped back for repair by the vendor and re-exported to the same buyer;
- 3) Goods sent to Thailand by a foreign customer for repair and then sent back to the customer;
- 4) Any goods imported for repair and then sent back to any country.

There are two scenarios:

- a. Tax of the previous shipment has been reimbursed from the Customs Department. In case the company has applied and been reimbursed for tax from the transaction related to previous shipment, the local company has to process a permit/certificate to allow re-entry of the goods. The said permit application must be placed at the same port as the port of departure from previous outbound shipments. The authorities will check the record of the product to ensure that there has been no modification and changes to product attributes. The goods can stay in Thailand initially up to one year with the possibility of renewal for another year.
- b. If the exporter in Thailand did not apply for a tax reimbursement, the exporter can collect the goods. No special permit is required. The same time frame as the above case is allowed. Outbound re-shipment of products involves no duties.

Labeling is required on all processed food, healthcare, and cosmetic products, both from import or locally produced, by the Food and Drug Administration, Ministry of Public Health. Labels must be approved by the Thai Food and Drug Administration and affixed to imported food products. Generally, the label must bear the product name, description, net weight or volume and manufacturing/expiration dates. The label must also identify the manufacturer or importer/distributor's name and address, and the product/label registration number. All labels must be printed in Thai with the exception of alcoholic beverages, medical and dental products.

More information can be found at the Thai Food and Drug Administration website, at: <http://www.fda.moph.go.th/>

Prohibited and Restricted Imports[Return to top](#)

Imports of used motorcycles and parts, household refrigerators using CFCs, refurbished medical devices, and gaming machines are prohibited.

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Thai Customs uses value of the imported goods, as specified by the importers and where the transaction value of the goods can be determined, to value the goods for import tax purposes. Where there is a debate between parties on the value of the goods, or where the price of the goods cannot be used as the basis of a Customs valuation, Thai Customs will use the GATT Valuation System (GVS) to determine a value for the goods. Since January 1, 2000, Thai Customs has enforced the GVS to value the goods. Under the GVS, there are 6 methods in order of relevance to calculate the import duty. The price specified by the importer is not used as a reference.

Method 1: Transaction Value of the Imported Goods

Method 2: Transaction Value of Identical Goods

Method 3: Transaction Value of Similar Goods

Method 4: Deductive Value

Method 5: Computed Value

Method 6: Fall Back Value

These regulations have alleviated many valuation problems, although some importers complain of uneven implementation, particularly in the area of intra-company transfers, discounted goods, and promotional items. Progress has been made in reforming payment procedures and broker licensing, but the process continues to be hampered by considerable paperwork and formalities and lack of coordination between customs and other import regulating agencies.

By nature, regulations at the Customs Department are subjected to frequent changes, which may be difficult for foreigners to observe and follow. It is highly advisable for foreign exporters to have reliable freight forwarding and Customs Clearing companies representing them in the goods clearing process and customs relations in Thailand.

Detailed information on the customs regulations can be obtained from the Customs Department's website at <http://www.customs.go.th>

In addition to import duties handled by the Customs Department, certain import items are also subject to excise tax. These include gasoline and products thereof, automobiles (less than 10 seats), electrical appliances, beverages, perfume, yachts and vessels for entertainment, lead crystal and other crystals, carpets and woven fur items, motorcycles, batteries, marble and granite, liquor, tobacco, and playing cards. It is worth mentioning that an excise tax is also imposed on local products in the same categories as well as on certain entertainment service providers such as horse racing grounds/clubs and golf clubs.

Excise tax is calculated on CIF value plus import duty, special fees pursuant to the Investment Promotion Act and any other taxes or fees as prescribed by Royal Decree (Excluding VAT). Further information on excise taxes can be obtained from the website of the Excise Tax Department, Ministry of Finance at <http://www.mof.go.th>. Import-export statistics and import tax rates can be accessed from the customs website at <http://www.customs.go.th>

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Website: <http://www.customs.go.th/>

Standards

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Overview

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Thailand's emphasis on exporting makes compliance with international standards important to companies manufacturing here. Currently, there are now 41 Thai food processors that have been certified as being in compliance with the Hazard Analysis and Critical Control Point (HACCP) system and with Good Manufacturing Practices (GMP) standards. The main standards developing organization is the Thailand Industrial Standards Institute (TISI).

Standards Organizations

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The Thailand Industrial Standards Institute (TISI) is the central national standards organization under the Ministry of Industry. TISI develops both mandatory and voluntary Thai Industrial Standards (TIS's). TISI publishes a work program once every two years with its plan for standards development for Thailand.

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

Notify U.S. is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

Conformity Assessment

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The National Accreditation Council (NAC) of Thailand is the part of TISI that administers the accreditation system in Thailand. Through the process of the Thai accreditation system, the National Accreditation Council gives the formal recognition that a conformity assessment body is competent to carry out specific functions or tasks according to relevant international requirements.

TISI is empowered to give product certifications according to established Thai standards and is an accredited body for ISO and HACCP certifications in Thailand.

Product Certification

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The government of Thailand requires a compulsory certification of sixty products in ten sectors including: agriculture, construction materials, consumer goods, electrical appliances and accessories, PVC pipe, medical, LPG gas containers, surface coatings, and vehicles. Certification of other products is on a voluntary basis. Industrial products that have TISI's certification are generally regarded as having high standards and good quality. TISI has certified more than 2,000 products on a voluntary basis. Thailand is part of the ASEAN Economic area, and as part of it, mutual recognition agreements (MRA) become effective for compulsory standards of certain electrical products traded between Thailand, Malaysia and Singapore. Eligible products for MRA must meet the IEC or its equivalent standards.

Accreditation

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The National Accreditation Council (NAC) is Thailand's accreditation body (see Conformity Assessment above). Contact information for the NAC is:

National Accreditation Council (NAC) of Thailand

Rama 6 Street, Ratchathewi, Bangkok, 10400 Thailand

Mr. Yannapat Uthongsap,

Director of National Accreditation Council of Thailand

Tel: 662-202-3418

Fax: 662-354-3133

All authorized laboratories are required to be accredited under the scope relevant to such products or product groups by the Thai Laboratory Accreditation Scheme (TLAS) or a laboratory accreditation body that has been approved by the International Product Standards Council (IPSC).

Publication of Technical Regulations

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Information can be obtained at TISI; however the official documents are only

available in Thai. Basic information can be obtained at <http://www.tisi.go.th>.

Labeling and Marking

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For imported foods, a Thai-language label must be affixed to every single retail item of food prior to marketing. Failure to affix the label will lead to product seizure by the Thai Food and Drug Administration. The Thai FDA requires pre-approval of labels only for specifically-controlled foods. For most foods, the food manufacturers or food importers are only required to prepare a product label complying with *Ministerial Notification No. 194 B.E. 2543: Regarding Labeling*. Labels must bear the product name, description, net weight or volume and manufacturing/expiration dates. The label must also identify the manufacturer or distributor's name and address, and the product/label registration number.

For those foods that need to receive label approval from the Thai Food and Drug Administration, company representatives need to present a certificate of food analysis issued by the government of the country of origin or any accredited private laboratory. This certificate should be issued not more than one year before the date of the label approval application. The result of the analysis must comply with the quality or standards specified in the Ministry of Public Health's ministerial notification. A copy of the ministerial notification can be obtained in English, free of charge, from the Food and Drug Administration, Ministry of Public Health, Royal Thai government.

Five copies of the original label must be attached to the application, with one attached to the products in the way that the product will be marketed. More information can be found at the Thai Food and Drug Administration website, at: <http://www.fda.moph.go.th/>

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Thailand is a member of the Association of Southeast Asian Nations (ASEAN). In 1992, leaders of ASEAN governments approved a Thai proposal to establish the ASEAN Free Trade Area (AFTA), which aimed to reduce tariffs on most processed agricultural and industrial products traded among ASEAN countries. The scheduled tariff reductions have continued to be pushed forward; currently, most reductions will be in place by 2015. ASEAN is examining the possibility of expanding this special trade relationship with Australia, New Zealand, China, South Korea, India and Japan.

Thailand has signed a limited bilateral free trade agreement with China and has a partial agreement with India. Thailand implemented an FTA with Australia on January 1, 2005. Thailand has completed FTA negotiations with Japan and the agreement was signed in 2007.

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- Thai Customs Department web site: <http://www.customs.go.th>
- U.S. export and re-export regulations: <http://www.bis.doc.gov/>
- Ministry of Finance: <http://www.mof.go.th/>

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Chapter 6: Investment Climate

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Openness to Foreign Investment

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Despite internal political tensions and severe flooding in 2011, Thailand continues to maintain an open, market-oriented economy and encourages foreign direct investment as a means of promoting economic development, employment, and technology transfer. In recent decades, Thailand has been a major destination for foreign direct investment, and hundreds of U.S. companies have invested in Thailand successfully. Thailand continues to welcome investment from all countries and seeks to avoid dependence on any one country as a source of investment. Following the significant impact of flooding in 2011, investors are seeking development and implementation of an improved government water management plan as a critical element to maintaining investor confidence.

The Thai economy remains resilient in the face of the severe domestic floods and continuing global economic crises. GDP growth in 2010 was nearly 8 percent, then the flood which impacted 60 provinces of 77 provinces contracted the GDP growth to 0.1%. However, the country's GDP growth rebounded to 6.5% in 2012.

In the wake of the 1997-98 Asian Financial Crisis, Thailand embarked on an International Monetary Fund (IMF)sponsored economic reform program designed to foster a more competitive and transparent climate for foreign investors. Legislation in 1999 established a new bankruptcy court, reformed bankruptcy and foreclosure procedures, and allowed creditors to pursue payment from loan guarantors. Other 1999 reforms include amendments to the Land Code, Condominium Act, and the Property

Leasing Act, all of which liberalized restrictions on property ownership by non-Thais. The Foreign Business Act (FBA) of 1999 continues to govern most investment activity by non-Thai nationals. The FBA opened some additional business sectors to foreign investment; however, foreign investment in most service sectors is limited to 49 percent ownership. Other key laws governing foreign investment are Alien Employment Act B.E. 2521 (1978) and Investment Promotion Act B.E. 2520 (1977).

U.S. Investment: Many U.S. businesses enjoy investment benefits through the U.S.-Thailand Treaty of Amity and Economic Relations (AER), originally signed in 1833. The 1966 iteration of the Treaty allows U.S. citizens and businesses incorporated in the U.S., or in Thailand that are majority-owned by U.S. citizens, to engage in business on the same basis as Thai companies (national treatment), exempting them from most restrictions on foreign investment imposed by the Foreign Business Act. Under the Treaty, American investment is restricted only in the fields of communications, transport, fiduciary functions, banking involving depository functions, the exploitation of land or other natural resources, and domestic trade in agricultural products. Prospective U.S. investors who seek benefits from the Treaty must first verify their nationality by obtaining a certified letter from the U.S. Embassy in Bangkok. For the representative office and foreign branch, the process stops at the U.S. Embassy, but for the investor wishing to register in Thailand in the form of company limited, the investor must then present the Embassy's letter to the Ministry of Commerce, along with an application form for a business operation certificate. This process typically takes less than one month. Notwithstanding their Treaty rights, many Americans choose to form joint ventures with Thai partners, allowing the Thai side to hold the majority stake because of the advantages that come from familiarity with the Thai economy and local regulations.

Notwithstanding their Treaty rights, many Americans choose to form joint ventures with Thai partners, allowing the Thai side to hold the majority stake because of the advantages that come from familiarity with the Thai economy and local regulations.

Americans planning to invest in Thailand are advised to obtain qualified legal advice. Such advice is particularly important given the fact that Thai business regulations are governed predominantly by criminal, not civil law. While foreigners rarely are jailed for improper business activities, violation of Thai business regulations can carry heavy criminal penalties.

Banking: Thailand has removed some barriers to foreign ownership of domestic financial institutions. The Financial Institutions Act, passed at the end of 2007, gave power to the Bank of Thailand (the country's central bank) to raise the foreign ownership limit in a local bank from 25 percent to 49 percent on a case-by-case basis. The Act also allows the Minister of Finance to authorize foreign ownership above 49 percent. In January 2009, the Ministry of Finance allowed Malaysian's CIMB Group to hold majority shares (around 93 percent) in BankThai, the country's ninth largest commercial bank. In February 2010, the Ministry of Finance also granted Industrial and Commercial Bank of China (ICBC - the largest commercial bank in China) a waiver from the 49 percent foreign ownership limit to 97.24 percent in ACL Bank, which is the country's smallest commercial bank.

Thailand continues to implement the terms of its five-year (2010-2014) Financial Sector Master Plan Phase II (FSMP II). Beginning in 2012, the Bank of Thailand will permit foreign banks to upgrade existing full branches to 'subsidiaries,' which will allow foreign

banks to open up to 20 branches and 20 off-premise ATMs across Thailand. Qualifying branches must maintain a capital adequacy ratio of no less than 12 percent, compared with a domestic minimum requirement of 8.5 percent, and non-performing loans must be kept under 3.5 percent. In addition, the converted subsidiary must have a minimum of \$333 million in paid-up-capital. As of December 2011, there were 15 foreign bank branches and one subsidiary operating in Thailand, including three American banks (Citibank, Bank of America, and JP Morgan Chase bank). Beginning in March 2010, existing foreign bank branches have been permitted to open two additional branches in Thailand without having to meet additional capital requirements. Details of the FSMP II are available in English at <http://www.bot.or.th/>.

Insurance: The 2008 Life Insurance Act and the 2008 Non-Life Insurance Act apply a 25 percent cap on foreign ownership of insurance companies and on foreign directors of boards. However, the Office of the Insurance Commission (OIC) may, at its discretion, permit foreign equity ownership up to 49% and foreign directorship up to 50 percent. Foreign ownership restrictions may be relaxed further in cases where the Minister of Finance, upon recommendation from the OIC, determines that financial problems at an insurance company may cause damage to the insured or the general public. The Acts also stipulate that limited liability and non-life insurance companies are required to be registered as public companies by 2013, though listing on the Stock Exchange of Thailand is not a requirement. Companies that fail to comply by 2013 will be unable to open new branches and can be fined up to 200,000 Thai baht (approximately US\$6,000) plus daily fines of up to 10,000 Thai baht (approximately US\$300).

Business Registration: Any entity wishing to do business in Thailand must register with the Department of Business Development at the Ministry of Commerce, generally taking from three to six months to complete. Firms engaging in production activities need to register with the Ministries of Industry and Labor and Social Welfare. If the entity falls under the definition of non-Thai national as defined by the Foreign Business Act, they have to obtain a 'foreign business license' (or a certificate for US investors as mentioned above), which must be approved by the Council of Ministers (Cabinet) or Director-General of Department of Business Development at the Ministry of Commerce depending on types of restricted businesses.

Work Permits: Thai law requires foreign workers to have a work permit issued by the Ministry of Labor in order to work legally in Thailand; Thai law also reserves 39 occupations for Thai workers and will not grant work permits for foreigners to engage in these occupations, including lawyers, architects, and civil engineers. Foreigners found to be working without work permits could be imprisoned up to five years and/or fined between 2,000 and 100,000 Thai baht (approximately US\$60 to US\$3,000). Exceptions to the requirement for a work permit include officially recognized diplomatic and consular delegations, representatives of member countries and officials of the United Nations and specialized institutions, personal servants working for the above persons, and those who are performing duties or missions otherwise exempted by the Royal Thai Government. Volunteer or charity work can be considered work under Thai law, requiring a work permit.

Factors that influence the granting of work permits include the degree of specialization required by the position, the size of the firm in terms of number of employees and registered capitalization, and the ratio of Thai nationals to foreigners employed by the firm. Foreigners working for the Thai government or working on projects promoted by the

Board of Investment (BOI) usually have little difficulty obtaining work permits and typically receive their permits within seven days of application. Work permits in other areas are sometimes difficult to obtain. The duration of work permits is generally tied to the length of stay permitted by the person's visa.

U.S. citizens can enter Thailand without a visa for visits of up to thirty days. In order to apply for a work permit, a foreigner must enter Thailand on a non-immigrant visa (issued at Thai embassies and consulates) for a stay of three months or, for foreigners with well-defined work or business plans, for a stay of one year. Issuance of the three-month visa usually is completed within two or three days; the one-year visa requires approval from the Immigration Bureau of the Royal Thai Police in Bangkok. Upon obtaining a work permit, a holder of a three-month visa may apply for a one-year visa, which generally can be extended every year. Foreigners holding nonimmigrant visas who have lived in Thailand for at least three consecutive years may apply for permanent residence in Thailand if they meet strict criteria regarding investment or professional skills.

Land Ownership: In general, non-Thai businesses and citizens are not permitted to own land in Thailand unless the land is on government-approved industrial estates. Under the 1999 amendment to the Land Code Act, foreigners who invest a minimum of 40 million Baht (approximately US\$1.3 million) are permitted to buy up to 1,600 square meters of land for residential use with the permission of the Ministry of Interior. If the required land is not used as a residence within two years from the date of acquisition and registration, the Ministry has the power to dispose of the land. Petroleum concessionaires may own land necessary for their activities. Rather than purchasing, many foreign businesses instead sign long-term leases, and then construct buildings on the leased land. Under the 1999 Condominium Act, non-Thais were allowed to own up to 100 percent of a condominium building if they purchased the unit between April 28, 1999 and April 28, 2004. Under the newer Condominium Act of 2007, foreign ownership in a condominium building, when added together, must not exceed 49 percent of the total space of all units in the building, except for those purchased between 1999 and 2004.

Privatization: With the aim of encouraging capital inflows and relieving resource constraints in many key sectors of the economy, the previous government of Thaksin Shinawatra embarked on a privatization program for state-owned economic enterprises and state monopolies. The interim government that followed the September 2006 coup as well as the former government of Abhisit Vejjajiva (Democrat party) considered privatization too controversial and put these plans on hold. Most privatization plans have remained on hold since. Other than the Petroleum Authority of Thailand (PTT), the Airport Authority of Thailand (later renamed Airports of Thailand (AOT) and the Mass Communication Organization of Thailand (MCOT), few significant privatizations have occurred. The 1999 State Enterprise Corporatization Act provides the framework for the conversion of state enterprises into stock companies, and corporatization is viewed as an intermediate step toward eventual privatization. (Note: "Corporatization" describes the process by which an SOE adjusts its internal structure to resemble a publicly-traded enterprise; "privatization" means that a majority of the SOE's shares is sold to the public, and "partial privatization" refers to a situation in which less than half a company's shares are sold to the public.) Foreign investors are allowed to participate in the privatization but certain restrictions are also applied in certain sectors, which mostly regulated by the Foreign Business Act of 1999 and the Act on Standards Qualifications for Directors and Employees of State Enterprises of 1975 and its series of amendments. The current State Enterprise Policy Office under the Ministry of Finance does not have the power to

regulate all SOEs. Meanwhile, a draft comprehensive bill to set up a new regulatory and policy body to supervise all SOEs, including those that have been partially privatized, remains stalled.

International Rankings: The following is a summary of Thailand's rankings in several international indexes, as well as the Millennium Challenge Corporation's (MCC) score card.

Measure	Year	Index/Ranking
TI Corruption Index	2011	3.4/80
Heritage Economic Freedom	2011	64.7/62
World Bank Doing Business	October 2011	17
MCC Government Effectiveness	FY2011	0.52/87 percent
MCC Rule of Law	FY2011	0.20/61 percent
MCC Control of Corruption	FY2011	0.16/61 percent
MCC Fiscal Policy	FY2011	-0.9/59 percent
MCC Trade Policy	FY2011	75.9/59 percent
MCC Regulatory Quality	FY2011	0.78/94 percent
MCC Business Startup	FY2011	0.974/62 percent
MCC Land Rights Access	FY2011	0.910/88 percent
MCC Natural Resource Mgmt	FY2011	96.46/92 percent

Conversion and Transfer Policies

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All foreign exchange transactions must be conducted through commercial banks and authorized non-banks, namely money changers, money transfer agents, companies that are granted foreign exchange licenses by the Minister of Finance. Inward remittances are free of controls. Repatriation of investment funds and repayment of overseas loans can be remitted freely but upon submission of supporting documents to commercial banks, including evidence of sale or transfer in the case of investment funds and evidence of inward remittance supporting the loan agreement.

Thai nationals are subject to quantitative limits on the amount of foreign currency that can be remitted abroad without specific permission from the Bank of Thailand. The limits vary depending upon the purpose of the transaction, and range from US\$100 million per annum for business investment or loans to subsidiaries, to US\$1 million per annum for remittances to family members. The Bank of Thailand must approve the purchase of immovable assets or securities abroad, except the latest exemption mentioned above. The new regulation, however, also increases the limit of overseas fund remittances in foreign currencies up to US\$1 million by Thai individual. In addition, the authorities also relaxed the repatriation requirement for exporters with foreign currency receipts by extending the period in which such receipts must be brought into the country from within 120 days, to within 360 days and requiring that the foreign currencies be deposited or sold with financial institutions within another 360 days. In 2010, the repatriation requirement is exempted if the export proceeds are less than US\$50,000. A person traveling to any of Thailand's border countries (and Vietnam) may take up to 500,000 Baht (US\$16,600), and up to 50,000 Baht (US\$1,660) for other countries, without prior authorization.

Commercial banks are authorized to undertake most routine foreign remittance transactions without prior approval from the Bank of Thailand. Non-residents can open and maintain foreign currency accounts without deposit and withdrawal ceilings with authorized banks in Thailand. Such accounts must use funds that originate abroad. If non-residents have underlying liabilities or transactions in Thailand, they can open and maintain Thai baht accounts under Non-resident Baht Accounts (NRBA) with authorized banks in the country; however, the combined outstanding of all NRBA for each non-resident at the end of the day cannot exceed 300 million baht (approximately US\$9 million). Since February 2008, the Bank of Thailand has segregated the NRBA into two types: Non-resident Baht Account for Securities (NRBS) for investment in securities and other financial instruments, and Non-resident Baht Account (NRBA) for general purposes. Funds under the two types of NRBA cannot be transferred to the other. The cap on NRBA was introduced in October 2003 with the goal of limiting speculation on the Thai baht. All remittances exceeding US\$10,000 for any purpose other than export must be reported to the Bank of Thailand.

In general, foreign currencies may be brought into Thailand and are not subject to quantitative limits. Any person who brings foreign currencies into or out of Thailand exceeding US\$20,000 or the equivalent must declare the amount at a Customs checkpoint. Foreigners staying in Thailand for less than three months, as well as those working for foreign embassies and international organizations, are exempt from this requirement.

Due to the substantial appreciation of the Thai baht in 2010, the Ministry of Finance and the Bank of Thailand relaxed regulations on capital outflows. The changes included allowing Thai export companies to transfer funds from their foreign currency deposit accounts to counterparties in Thailand for payment of goods and services without exchanging into Thai baht and increasing the foreign exchange transactions threshold amount for which a foreign exchange transaction form must be submitted from US\$20,000 to US\$50,000. The Ministry of Finance abolished the US\$200 million per year limit of lending and direct investment of Thai companies to affiliated companies abroad and relaxed the pre-approval requirement for all transactions of Thai companies' lending to non-affiliated companies abroad to only transactions above US\$50 million per year. The government also increased the limit for purchase of immovable properties abroad from US\$5 million per year to US\$10 million per year; raised the outstanding balance limit of foreign currency accounts that are deposited with funds converted from Thai baht without future obligations with commercial banks in the country to US\$500,000 for both companies and individuals; abolished a pre-approval requirement on unwinding of foreign exchange hedging transactions for goods and services; and relaxed regulations on corporate treasury centers on both lending, deposit and fund transfer activities.

In 2007, the Bank of Thailand and the Ministry of Finance doubled the ceiling on foreign currency deposited with financial institutions in the country from US\$0.5 million to US\$1 million for individuals and from US\$50 million to US\$100 million for juristic persons with future foreign exchange obligations within the following 12 months. The deposit ceiling applies only to foreign currencies that are borrowed from financial institutions, but if foreign currencies are earned (not borrowed) the deposit ceiling restriction is not applied.

Expropriation and Compensation

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Private property can be expropriated for public purposes in accordance with Thai law, which provides for due process and compensation. In practice, this process is seldom used and has been principally confined to real estate owned by Thai nationals and needed for public works projects. U.S. firms have not reported any problems with property appropriation in Thailand.

Dispute Settlement

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Thailand has a civil code, commercial code, and a bankruptcy law. Monetary judgments are calculated at the market exchange rate. Decisions of foreign courts are not accepted or enforceable in Thai courts. Disputes such as the enforcement of property or contract rights have generally been resolved through the Thai courts. Thailand has an independent judiciary that generally is effective in enforcing property and contractual rights. The legal process is slow in practice, however, and litigants or third parties sometimes affect judgments through extra-legal means.

In addition, companies may establish their own arbitration agreements. Thailand signed the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States in 1985, but has not yet ratified the Convention. Thailand is a member of the New York Convention and enacted its own rules on conciliation and arbitration in the Arbitration Act of 2002. The 2002 Arbitration Act adopted the principles under the United Nations Commission on International Trade Law (UNCITRAL). The Arbitration Office of the Ministry of Justice administers these procedures.

The Bankruptcy Act was amended in 1999 to provide Chapter 11-style protection to debtors, and to give debtors and creditors the option of negotiating a reorganization plan through the courts instead of forcing liquidation. The Act now allows creditors to extend additional loans to insolvent firms without losing the right to claim compensation during a future restructuring or liquidation process, but only if the new loan is intended to keep the firm in operation. Also in 1999, the Act was amended to facilitate the financial restructuring process. Higher minimum levels for individual and corporate bankruptcies were established, and the previous ten-year period of bankruptcy status was reduced to three years. The 1999 Bankruptcy Act also established a specialized court for bankruptcy cases. The Bankruptcy Courts are divided into the Central Bankruptcy Court which has jurisdiction throughout the Bangkok Metropolitan areas and the Regional Bankruptcy Courts.

In 2004, Parliament approved changes to the Bankruptcy Act including tightening the rules under which some debtors can emerge from bankruptcy status and streamlining the legal appeals process in bankruptcy and restructuring cases. In an effort to quicken the foreclosure process, amendments to the Civil Procedure Code on Execution of Judgments have limited appeal options available to debtors. Under the old regulations, debtors were free to appeal each action taken with respect to the execution of a bankruptcy judgment. Such appeals, often frivolous in nature, were one of the tactics debtors used to delay the foreclosure process. In June 2001, the Supreme Court set an important legal precedent by ruling in favor of implementing a creditor-backed corporate restructuring plan opposed by the former owner of the business in question. The Act was

later amended in 2005 by granting the Bankruptcy Court the power to consider bankruptcy cases that involve criminal matters.

Individual cases can take months, or even years, to work their way through the legal system however, and many businesses have urged the government to speed up the bankruptcy procedure. In 2006, new procedural rules were established to accelerate the bankruptcy court proceedings by encouraging the use of electronic equipment and express mail in communications between courts. Under the new rules, provincial courts have the authority to issue search warrants and arrest warrants, and to imprison or release a defendant. Other amendments to the Bankruptcy Act are currently under consideration.

In 2009, the Bankruptcy Court issued verdicts on 33,055 cases. (More current statistics are not available.)

Performance Requirements and Incentives

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WTO TRIMS: Thailand committed to implement all WTO agreements, including Trade-Related Investment Measures (TRIMS). In its latest Trade Policy Review in November 2011, the WTO noted, “Thailand did not take any new measures to restrict trade since the 2008 global financial crisis. Indeed, it has made some important improvements to trading conditions in some areas, such as its adoption of paperless import procedures and its intention to move to a single [customs] window. Furthermore, an appeals system has been introduced by the Customs Department to cover many aspects of import procedures. As a member of ASEAN, Thailand has adopted the Association’s harmonized tariff nomenclature which has also helped facilitate trade by standardizing the customs codes used to identify products.”

The report also said that Thailand has committed to liberalize the regulatory regime with legislation governing key sectors such as transport, distribution, and telecommunications under review. However, the report observes that there are some areas of Thailand’s import and domestic policies that could hamper trading opportunities and impede its development, including agriculture policies such as domestic support and tariff quota administration, complex tariffs structure, technical barriers to trade and Sanitary Phyto Sanitary (SPS) measures, and intellectual property. The report also underlines that despite progress in the liberalization of trade in some service sectors, there remain concerns over foreign ownership and market access restrictions in financial services (particularly the insurance sector), telecommunications, maritime and professional services. The report noted that Thailand has yet to modify its General Agreement on Trade in Services (GATS) schedule following the negotiations on telecommunications in 1997.

Investment Incentives: The Board of Investment (BOI), established by the Investment Promotion Act of 1977, is Thailand’s central investment promotion authority. The BOI offers investment incentives uniformly to both qualified domestic and foreign investors with a clear articulation of the application procedures. Good governance is one of the key factors to manage and supervise the application for tax and duty privileges. Complete information on BOI’s updated policies, programs, incentives, and application procedures can be found on the BOI web site at www.boi.go.th.

In November 2009, BOI established the 'One Start One Stop Investment Center' as a centralized location to assist investors with the requirements of the various investment related government agencies. Staff at the Center provide guidance to investors on how to register a company, obtain BOI's investment promotion privileges, obtain a foreign business license, complete an environmental impact assessment, request permission to use land for industrial operations, obtain utilities, and other related investment issues. More information could be found on its web site at <http://osos.boi.go.th/>. BOI identifies eligible activities for its investment incentives (detailed below) covering hundreds of types of businesses. Generally, the most generous incentives are offered to those projects that bring new technology to Thailand and those that invest in less developed provinces. These projects are usually referred to by BOI as "priority activities."

There are two basic types of BOI incentives: tax-based (including tax holidays and tariff exemptions) and non-tax privileges (guarantees, special permissions, services, etc.). The minimum investment amount is 1 million baht (approximately \$33,000), excluding the cost of land and working capital; however, small and medium industries in certain activities with minimum investment of 500,000 baht (approximately \$16,700), excluding the cost of land and working capital, are also eligible for the incentives. Projects with an investment of 10 million Thai baht (approximately US\$330,000) or more, excluding the cost of land and working capital, are typically required to obtain international standards certifications, such as International Standards Organization (ISO) 9000. BOI requires investors to submit evidence of compliance with the conditions of their approval in order to claim incentive benefits. BOI previously lifted all local content and export requirements.

Specific BOI incentives include:

- Tax incentives: exemptions or reductions of import duties on imported machinery; reductions of import duties on imported raw materials and components; exemptions from corporate income taxes for three to eight years; and, deductions from net income of infrastructure costs.
- Permissions: to bring in foreign nationals to undertake investment feasibility studies; to bring in foreign technicians and experts to work under promoted projects; to own land for carrying out promoted activities.
- Guarantees: against nationalization; against competition by new state enterprises; against state monopolization of the sale of products similar to those produced by promoted firms; against price controls; against tax-exempt import by government agencies or state enterprises of competitive products; and, of permission to export.

Tax incentives offer the greatest advantages, though their relative value has declined in recent years with the general reduction of import duties and elimination of the former business tax system. The Value Added Tax (VAT) Law, which eliminated the business tax exemption, has no provision for BOI to offer VAT exemptions or reductions. Investors must submit an application form along with supporting documentation to be considered for incentives. In most cases, BOI decides within 40-60 working days whether or not a project is eligible for investment privileges. BOI typically completes its review of applications for projects valued in excess of 750 million baht (approximately US\$24 million) within 90 working days.

The maximum allowable debt-to-equity ratio is 3:1 for a newly established project, but expansion projects are considered on a case-by-case basis. With the exception of electronic and agricultural investments, regardless of overall investment size, projects

must produce added value equal to at least 20 percent of sales revenue. For projects with investment capital more than 80 million baht (about US\$2.7 million), excluding land and working capital, a feasibility study must be presented at the time of application. Adequate environmental protection systems must be installed for projects with a potential environmental threat.

State-enterprise projects are not eligible for BOI promotions, but concession projects (either Build Transfer Operate or Build Operate Transfer) by the private sector are eligible with some restrictions.

BOI's eligible activities for investment privileges are divided into seven categories. These seven categories cover hundreds of actual business activities. The complete list can be found at www.boi.go.th/english/about/eligible_activities.asp.

Category 1: Agriculture and agricultural products;
Category 2: Mining, ceramics and basic metals;
Category 3: Light industry;
Category 4: Metal products, machinery and transport equipment;
Category 5: Electronic industry and electrical appliances;
Category 6: Chemicals, paper, and plastics;
Category 7: Services and public utilities.

Each year, BOI also selects certain business activities under the seven categories as priority investment activities. BOI traditionally gives maximum incentive packages to these priority investment activities and sometime regardless of locations. These activities have included agriculture and agro-industries; research and development; public utilities; infrastructure and basic services; biotechnology; alternative energy; manufacture of high technology products; and environmental protection and conservation.

As part of its policy to encourage investment throughout the country, BOI divides the country into three zones: Zone 1 (Bangkok and 5 surrounding provinces), Zone 2 (a grouping of 12 other provinces, mostly in the central region), and Zone 3 (the remaining 59 provinces with low income and less-developed infrastructure). BOI actively encourages investment in Zone 3, which includes the least developed provinces of Thailand, by offering maximum incentive packages. BOI also promotes the relocation of projects from Zone 1 to Zone 2 and Zone 3; however, in order to be eligible for new incentives, these projects must relocate to an industrial estate or a promoted industrial zone. More details are available on BOI's website.

Majority or total foreign ownership is permitted for BOI-approved investment projects in the manufacturing sector; however, for projects in agriculture, animal husbandry, fishery, mineral exploration and mining, and service businesses under Schedule One of the Foreign Business Act of 1999, Thai nationals must hold shares totaling not less than 51 percent of the registered capital.

In an attempt to revive the economies of the three southernmost provinces (Pattani, Yala, and Narathiwat), BOI launched a special package in mid-2007. The package includes maximum tax incentives, including eight-year corporate income tax holidays plus a 50 percent reduction on corporate income tax for the following five years, an exemption of import duties on machinery and raw materials, and deduction of infrastructure construction and installation cost up to 25 percent of capital investment.

The applicable period for double deduction of public utilities and transportation costs was extended to 15 years. In 2009, BOI broadened the investment promotion scope to allow all types of eligible activities to apply for the promotion incentives in Pattani, Yala, and Narathiwat. In addition, the deadline for applications was extended to December 2012.

In June 2010, BOI signed a cooperation agreement with the Thai Ministry of Justice's Office of Public Sector Anti-Corruption Commission (PACC) to improve protection for foreign investors and entrepreneurs from corruption. Both agencies will increase information sharing and open new channels to receive complaints from investors affected by corruption by government officials.

In late 2011, severe flooding damaged 1,775 of BOI's existing promoted companies worth a combined investment value of 624 billion baht (about US\$21 billion) or roughly 9 percent of the total investment for the past ten years. The BOI issued the following measures to help minimize business disruptions:

- Affected factories are allowed to temporarily relocate elsewhere to continue their production for a period of six months with a possible extension period from the application submission date;
- Manufacturing processes can be allowed to be outsourced partially or wholly;
- Affected companies are allowed to export their machineries to be used for overseas production;
- BOI would cooperate with the Department of Employment and foreign Embassies to facilitate the use of Thai workers from the flood-affected companies at the overseas production facilities;
- BOI, Ministry of Labor and the Immigration Bureau would assist companies to bring in foreign experts and technicians to rehabilitate the factories;
- Duty-free importation of replacement machinery is allowed until the end of June 2012;
- Imported raw materials damaged by the flooding can be counted as part of the waste allowance without any tax burden.

In addition, the BOI will hold a CEO Forum in January 2012 during its annual BOI Fair to announce a long-term flood prevention action plan. It is also notable that Yingluck Shinawatra's government announced policy plans to reduce the corporate income tax rate from the current 30 percent to 23 percent from January 2012 and to 20 percent from January 2013 onward

Right to Private Ownership and Establishment

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Private entities may establish and own business enterprises. The principal forms of business organization under Thai law are sole proprietorships, partnerships, limited companies, and public limited companies. In addition, branches of foreign corporations are recognized, and a "representative" or "liaison" office of a foreign company may receive special recognition. Regardless of the form of business organization, most businesses must apply for business registration. Establishment of a business in certain sectors by a foreign entity may be restricted by the Foreign Business Act. U.S. investors may benefit from the Treaty of Amity and Economic Relations (AER) as discussed above.

A Thai public limited company is similar to a corporation in the United States, and may be wholly owned by a foreigner unless the corporation is involved in a business activity reserved for Thai nationals. A public limited company is allowed to offer its shares to the public. Eight laws pertaining to individual industries limit foreign ownership of companies listed on the Stock Exchange of Thailand.

Protection of Property Rights

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Property rights are guaranteed by the Constitution against condemnation or nationalization without fair compensation. Secured interests in property are recognized and enforced. Thailand has a civil law system under which all laws are embodied in statutes or codes promulgated by the government. This practice is in contrast to the common law system in many Western countries, where court interpretations of statutes serve as governing legal precedent. There is an independent judiciary that provides a forum for settlement of disputes. Agencies of the government, as parties to commercial contracts, may be sued in the courts, and cannot raise a defense of sovereign immunity. However, state property is not subject to execution. There are four basic codes: Civil and Commercial Code, Criminal Code, Civil Procedure Code, and Criminal Procedure Code. In adopting these codes early in the twentieth century, Thailand selected features of the two major Western legal systems (common law and civil law), and adapted to circumstances in Thailand provisions drawn from Great Britain, Germany, Switzerland, France, Japan, Italy, India, and other foreign systems. Decisions and rulings of the judiciary and civil service can have considerable force as precedents.

There are three levels to the judicial system in Thailand: the Court of First Instance, which handles most matters at inception, the Court of Appeals, and the Supreme Court. There are specialized courts such as the Labor Court, Family Court, Tax Court, the Central Intellectual Property and International Trade Court, and the Bankruptcy Court. Widespread counterfeiting and piracy continue to plague intellectual property rights owners in Thailand. Particular areas of concern include counterfeiting of pharmaceuticals, cosmetics, apparel, and accessories. Piracy rates are high for motion pictures, music, business and entertainment software. The lack of sustained and coordinated enforcement, and, in particular, the failure to prosecute and penalize high level offenders, remains a substantial problem. The vast majority of criminal IP cases in Thailand are brought against retailers caught with relatively little infringing product. In addition to problems with counterfeiting and piracy, rights holders cite concerns about long delays in the patent process due to the large backlog of unexamined patent applications. Due to these concerns, Thailand has been on the Special 301 Priority Watch List since 2007. The government continues to develop measures to improve protection and enforcement of intellectual property rights.

Thailand amended its legal regime to comply with the WTO Agreement on Trade Related Aspects of Intellectual Property (TRIPs) in the mid1990s, but questions remain about Thailand's implementation of obligations to protect pharmaceutical and agricultural test data from unfair commercial use, treatment of conflicting trademarks and geographical indications. Since that time, Thailand has not kept pace with international intellectual property (IP) legal developments, in areas such as broadcasting and digital copyright. Thailand is signatory to long-standing IP agreements such as the Berne and Paris Conventions, but not the World Intellectual Property Organization Copyright Treaty (WCT) or Performances and Phonograms Treaty (WPPT). Thailand acceded to the Patent Cooperation Treaty in 2009.

In 1999, Thailand enacted the Trade Competition Act together with the Price of Merchandises and Services Act to strengthen the government's ability to regulate market monopolies and price fixing. The Trade Competition Act applies to all business activities with the exception of state-owned enterprises, cooperatives, agricultural and cooperative groups, government agencies, and certain enterprises exempted by the law. The law established a Trade Competition Commission with the authority to place limitations on market share and revenues of firms with substantial control of individual market sectors, to block mergers, and other forms of business combinations, and to levy fines for price fixing and other proscribed activities. Since the law's implementation, several foreign motorcycle distributors were found guilty of violating the law by forcing sales agencies to sell only their brands.

The government continues to have the authority to control the price of specific products under the Price of Merchandises and Services Act. The Department of Internal Trade under the Ministry of Commerce administers this law and interacts with the affected companies although only the "Committee on Price of Merchandise and Service" make the final decision on what products to add or remove from price controls. As of October 2011, out of 55 controlled commodities and services, only sugar is subject to a price ceiling. Besides the 55 controlled commodities, practically any producer of consumer products is prohibited from raising prices without first notifying the Committee of its intention to do so. The government also uses its controlling stakes in major suppliers of products and services such as Thai Airways and PTT to influence prices in the market. Thailand has extensive legislation aimed at the protection of the environment, including the National Environmental Quality Act, the Hazardous Substances Act, and the Factories Act. Food purity and drug efficacy are controlled and regulated by a Food and Drug Administration with authority similar to its U.S. counterpart. Likewise, labor and employment standards are set and administered by the Ministry of Labor.

U.S. businesses have repeatedly expressed concern about the lack of transparency of the Thai customs regime and the significant discretionary authority exercised by Customs Department officials. The U.S. Government and industries also have expressed concern about the inconsistent application of Thailand's transaction valuation methodology and repeated use of arbitrary values by the Customs Department. In August 2009, the Thai government proposed a series of reforms to its customs laws and procedures. Following the change in government in July 2011, amendments to address the penalty regime need to be resubmitted to the Cabinet before they can be sent to Parliament.

Consistent and predictable enforcement of government regulations remains problematic for investment in Thailand. Gratuity payments to civil servants responsible for regulatory oversight and enforcement remains a common practice. Firms that refuse to make such payments can be placed at a competitive disadvantage when compared to other firms in the same field. However, most observers believe that the overall trend toward transparency in regulatory enforcement is positive, especially for foreign-owned businesses.

The Thai government maintains a regulatory framework that broadly encourages investment and largely avoids market-distorting support for specific sectors. Government policies generally do not restrict the free flow of financial resources to support product and factor markets, and credit is generally allocated on market terms rather than by "directed lending." Legal, regulatory, and accounting systems are largely transparent, despite significant problems in some areas. The Thai government has devoted considerable effort to bringing these systems into line with international norms, and important progress has been made. However, much remains to be done to implement the legal and regulatory changes, and the lack of skilled labor will limit overall progress in some areas, particularly auditing, for the foreseeable future.

In 2002, Thailand established the National Corporate Governance Committee (NCGC), chaired by the Prime Minister, to implement international-standard corporate governance policies. In conjunction with Thai Rating and Information Services Co., Ltd. (TRIS), the Stock Exchange of Thailand (SET) and the Thai Securities and Exchange Commission (SEC) began rating companies on their corporate governance practices. Foreign investors are not restricted from borrowing on the local market, but there are a number of regulations that affect foreign portfolio investment. Thailand maintains regulatory maximum foreign ownership limits, and shares of listed companies are traded on both a domestic and alien (or foreign) board to enable authorities to track foreign ownership.

Limits on foreign ownership of Thai companies are perhaps most prominent in the financial sector. Under the new Financial Institutions Business Act (implemented in August 2008), foreign shareholders may retain a 49 percent stake in financial institutions, up from 25 percent under the previous acts. Foreign ownership between 25 percent and 49 percent requires prior approval from the Bank of Thailand. The new law also allows the Ministry of Finance to authorize foreign ownership above the 49 percent limit with the recommendation from the Bank of Thailand if deemed necessary to support the stability of the overall financial system in an economic crisis. This type of emergency action also requires the support and approval of the Minister of Finance. In theory, the private sector has access to a wide variety of credit instruments, ranging from fixed term lending to overdraft protection to bills of exchange and bonds. However, private debt markets are not well-developed, and most corporate financing, whether for short-term working capital needs, trade financing, or project financing, is commercial bank or financial institution borrowing.

The Thai banking sector is profitable, strong, well-capitalized, and has sound risk management. During the first three quarters of 2011, the banking system recorded eleven consecutive years of profit. Despite the worst flooding in a century, major rating agencies recently provided a stable outlook of the Thai banking sector, citing a temporary economic impact from the floods and noting that the fundamentals of Thai banks remain robust. After peaking at 47 percent of total lending in May 1999 from the financial crisis, net non-performing loans slowly declined to stand at 1.46 percent of total loans in September 2011; however, the Thai banks are expected to face some asset quality deterioration and higher non-performing loans during the next six month horizon. Total assets of the country's largest six banks stood at 9.2 trillion Thai baht (approximately US\$303 billion) or 86 percent of GDP as of October 2011.

The Thai Asset Management Corporation (TAMC), which was established in 2001, is a major component of the government's financial reform plan with broad legal powers to expedite debt restructuring and press creditors and debtors to the negotiating table. Assets are transferred at collateral value, excluding personal guarantee, with payment coming in the form of ten-year non-negotiable bonds issued by TAMC and guaranteed by the Financial Institution Development Fund (FIDF), a financial arm of the Bank of Thailand. Interest paid by the bonds is tied to average deposit rates quoted by Thailand's five largest banks. According to the decree that created TAMC, the corporation will be dissolved in June 2011 with two more years for asset liquidation by June 2013. All remaining assets will be sold to the former institutional transferors (commercial banks, finance companies, private asset management companies) at an agreed price. If the former institutional transferors are not willing to repurchase such assets, TAMC will sell the assets to the other two smaller state asset management companies, Sukhumvit Asset Management and Bangkok Commercial Asset Management.

In addition to legal limits on foreign ownership in certain sectors, Thai firms employ defenses against foreign investment primarily through cross- and stable-shareholding arrangements. Such defenses against hostile takeovers are typically applied against all potential investors, rather than against foreign potential investors alone. Companies are permitted to specify limits on foreign ownership more strict than those established by the government. In general, limits on foreign ownership and participation in the Thai economy have eased since the Asian Financial Crisis.

Competition from State Owned Enterprises

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State-owned enterprises operate primarily in the utility, energy, telecommunications, banking, tobacco, and transportation sectors. At the end of 2009, Thailand's 58 state-owned enterprises had revenues of around 3.17 trillion Thai baht (approximately US\$105.7 billion), employed approximately 273,929 people (0.7 percent of the Thai labor force), and accounted for approximately 31 percent of Gross Domestic Product.

Private enterprises are generally not allowed to compete with state-owned enterprises (SOEs) under the same terms and conditions with respect to access to markets, credit, and other business operations such as licenses and supplies, except in the banking sector. The government announced its intention to allow more private companies to compete with SOEs, in particular in the telecommunications, energy, and transport sectors. The government regularly allocates three to four percent of its annual budget expenditures to fund the SOEs. The government can temporarily provide short-term credit facilities, loan guarantees, or capital injections for troubled SOEs. This assistance usually focuses on those SOEs that have not been corporatized or are operating in loss. Corporate board seats are typically allocated to senior government officials or other politically-affiliated individuals. All SOEs are required by law to submit annual financial reports to the Office of the Auditor General. Publicly-listed state-owned enterprises, such as Thai Airways, are required to publish their financial reports. As for procurements, state-owned enterprises, like government agencies, reserve the right to accept or reject any or all bids at any time and may also modify the technical requirements during the bidding process, if, according to regulations, corruption is suspected. The latter provision allows considerable leeway to state-owned enterprises in managing procurements, while denying bidders recourse to challenge procedures. Allegations frequently surface that changes are made in procurements. Thailand currently does not have a sovereign wealth fund.

There is wide recognition and awareness of the value of corporate social responsibility (CSR) initiatives among Thai producers and consumers, but many companies still lack a full understanding of the generally accepted CSR principles such as the OECD Guidelines for Multinational Enterprises. CSR is most often identified as individual philanthropic projects or community service of companies, rather than as an overall corporate strategy aimed to improve the community in which the companies operate. Companies that pursue CSR are viewed favorably by the public.

Many business associations, including the American Chamber of Commerce, are actively supporting the development of CSR programs in Thailand. Since 2007, the American Chamber of Commerce Corporate Social Responsibility Excellence Awards have encouraged the expansion of CSR programs by identifying best practices of companies in Thailand. Many CSR programs incorporate the Embassy's Thai-U.S. Creative Partnership to promote innovative and IT sectors.

Political Violence[Return to top](#)

Thailand, following the landslide victory in parliamentary elections July 3, 2011 by the Puea Thai party, has experienced a reprieve from the instability that had hampered the Thai political system since the September 2006 military coup that deposed Prime Minister Thaksin Shinawatra. Throughout the second half of 2008, a political protest group called the People's Alliance for Democracy (PAD) and nicknamed the "yellow shirts," held large demonstrations against the government, notably seizing Bangkok's civilian airports from November 25, 2008 through December 3, 2008.

Protestors sympathetic to former Prime Minister Thaksin Shinawatra, and opposed to PAD and the current government, also held large rallies in Bangkok. This group of Thaksin supporters, known as the United Front for Democracy Against Dictatorship, aka the "red-shirts," staged demonstrations against Prime Minister Abhisit in early 2009, culminating in the disruption of a major regional Asian summit in Pattaya and riots in the streets of Bangkok in April of 2009. The UDD's March 12 – May 19, 2010 protest resulted in 91 deaths and caused an estimated \$1.5 billion in arson-related property losses.

Another important political problem for the Thai government is the ongoing political violence in Thailand's southern-most provinces (Yala, Narathiwat, and Pattani). Efforts to quell the ethno-nationalist insurgency, which has led to over 4,000 deaths since 2004, have not yet had much effect.

Tensions with Cambodia have relaxed under the newly-installed Puea Thai-led government. Cambodia and Thailand have disputed sections of their historic boundary; Cambodia has accused Thailand of encroaching into Cambodian territory and obstructing access to Preah Vihear temple ruins awarded to Cambodia by ICJ decision in 1962.

Thailand has several laws to combat corruption. The independent National Anti-Corruption Commission (NACC) together with the Public Anti-Corruption Commission (PACC), coordinate official efforts against corruption and hold broad investigatory authority. In addition to these two agencies, the Office of the Ombudsman, the Constitutional Court, the Election Commission, and the Human Rights Commission have anti-corruption responsibilities. In December 2003, Thailand became a signatory to the U.N. Convention Against Corruption but has not yet ratified the convention. In April 2005, Thailand endorsed the ADB-OECD Anticorruption Action Plan for Asia and the Pacific, and assigned the Ministry of Justice to implement the Action Plan. The Office of Public Sector Anti-Corruption Commission, under the Ministry of Justice, was established to assist the NACC by investigating cases of lower ranking government officials.

According to some studies, a cultural propensity to forgive bribes as a normal part of doing business and to equate cash payments with finders' fees or consultants' charges, coupled with the low salaries of civil servants, encourages officials to accept illegal inducements. American executives with experience in Thailand often advise new-to-market companies that it is far easier to avoid corrupt transactions from the beginning than to stop such practices once a company has been identified as willing to operate in this fashion. American firms that comply with the strict guidelines of the Foreign Corrupt Practices Act are able to compete successfully in Thailand.

Recent Thai administrations have stated publicly their intention to improve transparency in the evaluation of bids and the awarding of contracts. Despite recent improvements, both foreign and Thai companies continue to complain about irregularities in the Thai Customs Department. Increasing media scrutiny of public figures has raised political pressure to curtail favoritism and corruption. However, convictions against public officials on corruption-related charges are rare, and the legal system offers inadequate deterrence against corruption.

The press features frequent allegations of irregularities in public contracts, most notably over the use of public lands, procurement favoritism (e.g., revising requirements so that a preferred company wins over its competitors), and police complicity in a variety of illegal activities. In January 2010, the Thai press widely reported news of the U.S. Department of Justice indictment of a former Thai tourism minister accused of taking bribes from an American couple seeking to do business in Bangkok. In November 2011, the Permanent Secretary in the Ministry of Transportation resigned over allegations of corruption and bribery after large sums of cash were discovered in his home allegedly from transportation contract kickbacks.

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law. It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign

country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud>

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-bribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party the UN Anticorruption Convention; in addition to this Thailand is also a member of the Asia/Pacific Group against Money Laundering (APG).

OECD Anti-bribery Convention: The OECD Anti-bribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Anti-bribery Convention through the U.S. FCPA. Thailand is not a party to the OECD Convention.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery

provisions that are functionally similar to those in the OECD Anti-bribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Thailand is a party to the UN Convention.

OAS Convention: In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>). Thailand is not a party to the OAS Convention.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anticorruption standards. Currently, GRECO comprises 46 member States (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see www.coe.int/greco). Thailand is not a member of the Council of Europe Conventions.

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and transnationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: www.ustr.gov/trade-agreements/free-trade-agreements. The United States does not have an FTA with Thailand.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas.

The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its Website at www.trade.gov/cs. The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel, U.S. Department of Commerce, Website, at http://www.ogc.doc.gov/trans_anti_bribery.html. More general information on the FCPA is available at the Websites listed below. Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

Public sector corruption, including bribery of public officials, remains a challenge for U.S. firms operating in Thailand. But several laws to combat corruption are in place in Thailand. The independent National Anti-Corruption Commission (NACC) coordinates official efforts against corruption and has broad investigatory authority. In addition to the NACC, the Thai Constitution also established other independent agencies, including the Office of the Ombudsman, the Constitutional Court, the Election Commission, and the Human Rights Commission. In December 2003, Thailand became a signatory to the U.N. Convention Against Corruption but has not yet ratified the convention. In April 2005, Thailand endorsed the ADB-OECD Anticorruption Action Plan for Asia and the Pacific, and assigned the Ministry of Justice to implement the Action Plan. The Office of Public Sector Anti-Corruption Commission, under the Ministry of Justice, was established to assist the NACC by investigating cases of lower ranking government officials.

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Anti-Corruption Resources Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a “Lay-Person’s Guide to the FCPA” is available at the U.S. Department of Justice’s Website at: <http://www.justice.gov/criminal/fraud/fcpa>.
- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at: http://www.transparency.org/policy_research/surveys_indices/cpi/2009. TI also publishes an annual Global Corruption Report which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/sc_country.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://go.worldbank.org/RQQXYJ6210>.

- The World Economic Forum publishes the Global Enabling Trade Report, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.
- Additional country information related to corruption can be found in the U.S. State Department's annual Human Rights Report available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: <http://report.globalintegrity.org/>.

Bilateral Investment Agreements

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The 1966 iteration of the U.S.-Thai Treaty of Amity and Economic Relations (AER), discussed above, allows U.S. citizens and businesses incorporated in the U.S., or in Thailand that are majority-owned by U.S. citizens, to engage in business on the same basis as Thai nationals. Under the AER, Thailand is permitted to apply restrictions to American investment only in the fields of communications, transport, banking, the exploitation of land or other natural resources, and domestic trade in agricultural products.

In October 2002, the U.S. and Thailand signed a bilateral Trade and Investment Framework Agreement (TIFA). The TIFA establishes a Trade and Investment Council (TIC), which serves as a forum for discussion of bilateral trade and investment issues such as intellectual property rights, customs, investment, biotechnology, and other areas of mutual concerns.

Thailand also has bilateral investment agreements with 39 countries, including China, India, Taiwan, S. Korea, United Kingdom, and members of the Association of Southeast Asian Nations (ASEAN). These agreements establish guidelines for expropriation compensation and the repatriation of capital, but do not include national treatment provisions.

OPIC and Other Investment Insurance Programs

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The Overseas Private Investment Corporation (OPIC) can provide political risk insurance for inconvertibility and transfer, expropriation, and political violence for U.S. investments including equity, loans and loan guarantees, technical assistance, leases, and consigned inventory or equipment. OPIC Insurance is currently insuring two U.S. organizations involved in humanitarian services and economic development in Thailand and providing financing to a U.S. telecommunications firm. OPIC direct loans and loan guarantees are also available for business investments in Thailand, covering sectors as diverse as tourism, transportation, manufacturing, franchising, power, and others. Historically, OPIC has committed over US\$32.5 million in financing to investments in Thailand. In addition, OPIC supports seven equity funds that are eligible to invest in projects in Thailand.

OPIC established a special line of credit of up to US\$175.75 million to mobilize U.S. private sector investment in the reconstruction of nations devastated by the December 2004 tsunami. The credit line was part of an OPIC Tsunami Reconstruction Finance Initiative intended to help speed the rehabilitation of housing and infrastructure in affected countries, including Thailand. Thailand became a member of the Multilateral Investment Guarantee Agency (MIGA) in October 2000.

OPIC-financed loans of up to US\$200 million per project are also available for business investments in Thailand, and cover sectors as diverse as tourism, transportation, manufacturing, franchising, power, and others. In addition, OPIC supports six new private equity funds that are eligible to invest in clean and renewable energy projects in emerging markets worldwide, including Thailand. Through OPIC, investors have access to political risk insurance, debt financing, and equity.

Labor

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According to the Bank of Thailand, the Thai labor force in 2011 reached 39.62 million workers out of a total population of 67million. The official unemployment rate in 2011 averaged 0.7 percent of the labor force. There are more than 1.3 million migrants from the neighboring countries of Laos, Cambodia, and Burma registered with the Thai government and working legally in the country, while there is an estimated 1.5 to 2 million undocumented workers, primarily from Burma.

Despite rapid growth in the industrial and service sectors, 37 percent of the Thai labor force is still employed in the agricultural sector. However, the shift of workers from agriculture is continuing, especially in the Northeast, where agricultural productivity and investment are lower. As a consequence, recent years have seen a constant flow of rural, generally unskilled Thais seeking work in Bangkok and the more industrialized regions, both seasonally and on a permanent basis. This ready availability of labor contributed to the rapid growth of Thailand's industrial and construction sectors. Many professional and technical fields, such as engineering, continue to experience persistent shortages of qualified labor, which is attributed in large part to a mismatch between market demands and educational preparation. The problem is likely to be exacerbated as Thailand enters a period of demographic aging, with an expected compound annual growth rate of the working age population at only 0.2% between 2010 and 2020. Thailand's Ministry of Labor forecasts a potential 2012 shortfall of up to 700,000 industrial workers, a figure which could reach as high as 1.1 million by 2013 depending on the country's economic performance. Many multinational firms continue to bring in expatriate professionals because qualified local personnel simply are not available, even at high salaries. Finding, training, and retaining qualified employees to work in the manufacturing facilities being developed in industrial estates, such as those along the Eastern Seaboard, will continue to be a challenging government priority.

According to Ministry of Labor data for 2010, there are 1,308 labor unions operating in Thailand, 1,264 of which come from the private enterprises and 44 of which come from state-owned enterprises. There are 531,648 unionized workers (roughly 1.4 percent of the labor force over the age of 15), 349,501 of which come from private enterprises and 182,147 of which come from state-owned enterprises. Thai law allows private sector workers to form and join trade unions of their choosing without prior authorization, but enforcement of labor laws is inconsistent and Thai labor unions are generally weak. The

labor relations climate is generally peaceful and formal strikes are infrequent. The Labor Protection Act, enacted in 1998, brought labor practices more in line with International Labor Organization (ILO) standards. The law cut the workweek to a maximum of forty-eight hours, with a limit on overtime of 36 hours per week payable at one and one-half times the hourly rate. Hazardous work may not exceed seven hours per day or forty hours per week. All employees are entitled to a vacation of six workdays per year, in addition to thirteen holidays traditionally observed in Thailand. Under the labor law, the employment of children under the age of fifteen is prohibited, and there are restrictions on the employment of children and youths between the ages of fifteen and eighteen. The Thai government amended the Labor Protection Act in 2008 to help promote standards for contract labor. The Act now requires an employer to provide benefits and welfare without discrimination to the contract laborers. The Act also extended protection for employees against sexual abuse and harassment in the workplace.

Foreign-Trade Zones/Free Ports

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The Industrial Estate Authority of Thailand (IEAT), a state-enterprise under the Ministry of Industry, established the first industrial estates in Thailand, including Laem Chabang Industrial Estate in Chonburi Province (eastern) and Map Ta Phut Industrial Estate in Rayong Province (eastern). The IEAT was established under the IEAT Act B.E. 2522 (1979). Foreign own firms have same investment opportunities as Thai entities, but the IEAT Act requires that the IEAT Committee has to consider and approve the amount of space for a foreign owned firm to buy or lease land in industrial estates. In practice, there is no record of disapproval for the requested amount of land. More recently, private developers have become heavily involved in the development of these estates. The IEAT currently operates 9 estates, plus 39 more in conjunction with the private sector in 15 provinces nationwide. Private sector developers operate over 50 industrial estates, most of which have received promotion privileges from the Board of Investment.

In addition, the IEAT established 12 special IEAT Free Zones (renamed from export processing zones or free trade zones), reserved for the location of industries manufacturing for export only, to which businesses may import raw materials and export finished products free of duty (including value added tax). These zones are located within industrial estates, and many have customs facilities to speed processing. The free trade zones are located in Chonburi, Lampun, Pichit, Songkhla, Samut Prakarn, Bangkok (at Lad Krabang), Ayuddhya, and Chachoengsao. In addition to these zones, factories may apply for permission to establish a bonded warehouse within their premises to which raw materials, used exclusively in the production of products for export, may be imported duty free.

Foreign Direct Investment Statistics

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According to the Bank of Thailand, foreign direct investment (FDI) (net inflows from non-banking sector only), totaled US\$5.63 billion in 2011 (Jan-Sep), compared with US\$9.69 billion in 2010 (full year), and US\$ 4.85 billion in 2009 (full year). In 2010, the FDI inflows accounted around 3 percent of GDP. In 2011, the sectors that received large amounts of FDI included vehicles (US\$896 million), real estate (US\$642 million), chemicals (US\$618 million), financial and insurance (US\$615 million), electrical equipment (US\$503 million) and computer and electronic (US\$421 million) sectors.

Japan was the largest source of FDI in 2011 (Jan-Sep) at US\$2 billion, followed by Singapore at US\$712 million, South Korea at US\$666 million, and Switzerland (US\$475 million). U.S. FDI was ranked fifth at US\$370 million. There are no reliable statistics available for cumulative investment by country of origin.

From January to November 2011, the Board of Investment approved 28 investment projects by U.S. firms totaling over US\$304 million, including an expansion project of Dow Chemical Thailand with an estimated value of US\$78 million.

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<http://www.state.gov/r/pa/ei/bgn/2814.htm>

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Chapter 7: Trade and Project Financing

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How Do I Get Paid (Methods of Payment)

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Majority of U.S. firms that export to Thailand, conduct business on a documentary basis and use various methods of financing and trade facilitation such as letters of credit (L/Cs), bank drafts and wire transfers. New-to-market exporters and infrequent exporters should require confirmed, irrevocable L/Cs when initiating relationships with new importers and distributors. Once the importer has established a good payment record and the U.S. firm is convinced of the importer's trustworthiness, it is advisable to provide more lenient terms. However, since the 1997-1998 financial crisis, many exporters are retaining tighter control on payment mechanisms than they exercised previously.

How Does the Banking System Operate

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In addition to more than 30 commercial banks, both foreign and domestic, the public financial sector includes several "specialized" government banks, namely the Government Savings Bank for small savings deposits, the Bank for Agriculture and Agricultural Cooperatives for farm credits, the Government Housing bank for middle and low income housing mortgages, the Industrial Finance Corporation of Thailand for industrial development projects, and the Export Import Bank for importers and exporters.

In the years before the 1997-98 financial crisis, the Thai financial sector grew rapidly, but it was poorly regulated and mismanaged. However, with the cooperation of the IMF and other multilateral and bilateral donors, the government has done a lot of work to bring financial sector practices in line with international standards and to strengthen the operations and balance sheets of Thai banks. Accounting, auditing standards, and corporate governance have been upgraded. Also regulatory and corporate governance requirements for listed companies have been strengthened. In the banking sector, the Bank of Thailand, with multilateral and bilateral assistance, has improved its examination and supervision functions, and banks are required to meet BIS capitalization standards. As part of its efforts to create fewer, sounder financial institutions, The Bank of Thailand has required all finance companies and credit fanciers to either merge with another bank, convert to a retail or commercial bank, or close operations.

GENERAL AVAILABILITY OF FINANCING

Since the 1997-1998 crisis, local banks and other financial institutions have exercised considerable caution on new lending due to the fear of creating new non-performing loans. New loans are typically offered only to bank customers who have sufficient collateral (land or cash only), for the entire amount of the loan, including interest. Liquidity is ample, and local lending interest rates remain near historic lows for Thailand.

Besides the local commercial, trade, and corporate financing facilities available from local banks, the Thai government maintains facilities, such as direct packing credit, to ease exporters' access to trade financing. The Thai EX-IM Bank, Asian Development Bank, Japanese EX-IM Bank, and the U.S. Export Import Bank also have trade financing facilities.

Foreign-Exchange Controls

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After the Asian financial crisis, Thailand adopted a managed-float exchange rate regime, by which the value of the Baht is determined by market forces, allowing the currency to move in line with economic fundamentals. The Bank of Thailand regularly intervenes in the market to prevent excessive volatility and achieve economic policy targets that include preventing the Baht from growing too strong or too weak against the currencies of Thailand's major trading partners. The Bank of Thailand prohibits Baht-denominated lending to non-residents where there are no underlying trade or investment activities by the borrower in Thailand.

According to information from the Thailand Board of Investment, non-residents in transit may bring foreign currency and negotiable instruments into Thailand without limit. They may also freely take out of the country all foreign currency they had brought in, without limit. Individuals in transit, however, may not take out Thai currency exceeding 50,000 Baht per person, except for trips to countries bordering Thailand (Burma, Laos, Cambodia, Malaysia and Vietnam), where an amount of up to 500,000 Baht is allowed. There is no restriction on the amount of Thai currency that may be brought into the country.

Regarding investors, there is no restriction on the import of foreign currency such as investment funds, offshore loans, etc. Such foreign currency, however, must be sold or exchanged into Thai Baht, or deposited in a foreign currency account with an authorized bank, within seven days from the date of receipt or entry into the country. An application form F.T. 3 or F.T. 4 must be submitted to an authorized bank for each transaction involving the sale, exchange or deposit of such foreign currency in an amount exceeding US\$5,000 or its equivalent. Repatriation of investment funds, dividends and profits as well as loan repayments and interest payments thereon, after settlements of all applicable taxes, may be made freely. Similarly, promissory notes and bills of exchange may be sent abroad without restriction.

Commercial Banks with Correspondent U.S. Banking Arrangements:**Bank of Ayudhya PCL.**

(<http://www.krungsri.com/eng/>)
1222 Rama III Road, Bang Pongphang
Yannawa, Bangkok 10120
Tel: 662-296-3000
Fax: 662-683-1275

Bangkok Bank Public Co., Ltd.

(www.bangkokbank.com)
333 Silom Road, Bangrak
Bangkok 10500
Tel: 662-231-4333, 231-4665
Fax: 662-236-8288

Kasikornbank PCL

(www.kasikornbank.com)
1 Thai Farmer Lane
Ratburana Road, Bangkok 10140
Tel: 662-470-1122, 662-470-1199
Fax: 662-470-2749

Krung Thai Bank Public Co., Ltd.

(www.ktb.co.th)
35 Sukhumvit Road, Klongtoey Nua
Wattana, Bangkok 10110
Tel: 662-255-2222
Fax: 662-255-9391/6

Siam Commercial Bank Public Co., Ltd.

(www.scb.co.th)
9 Rachadapisek Road, Ladyao
Chatuchak, Bangkok 10900
Tel: 662-544-1111, 662-937-7777
Fax: 662-937-7550

Thai Military Bank

(<http://www.tmbbank.com>)
3000 Phaholyothin Road, Ladyao
Chatuchak, Bangkok 10900
Tel: 662-299-1111
Fax: 662-617-9111

U.S. Financial / Lending Institutions in the Local Economy:

JP Morgan Chase Bank

20 North Sathorn Road, Bubhakit Building 100
Bangkok 10500
Tel: 662-684-2805
Fax: 662-684-2811

Citibank NA

Citibank Tower, 82 North Sathorn Road
Bangkok, Bangkok 10500
Tel: 662-639-2000, 662-232-2000
Fax: 662-639-2560, 662-639-2550

Locally or Regionally-based MDB or Other IFI Offices:

Asian Development Bank (ADB)

(<http://www.adb.org/>)

Postal Address: P.O. Box 789
0980 Manila, Philippines
Street Address: 6 ADB Avenue,
0401 Mandaluyong City, Philippines
Tel: 632-632-4444 (connecting all Offices)
Main Fax: 632-636-2444

Project Financing

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U.S. EXPORT-IMPORT BANK (EX-IM) PROJECT FINANCING

The U.S. Export-Import Bank established its Project Finance Division in June 1994. As developing nations turn away from sovereign-guaranteed borrowing, the Bank's project financing program will assist U.S. exporters to compete in new international growth industries such as the development of private power plants and other infrastructure projects. While such a financing structure has been used successfully in the past for oil and gas, mining, and power projects, the move toward "privatization" by sovereign entities has created new opportunities for U.S. exporters in telecommunication, transportation and other sectors.

The Ex-Im Bank offers short-, medium-, and long-term programs to support U.S. exports to Thailand. The Ex-Im Bank's short-term export credit insurance program will provide for the financing of exports of consumer goods, spare parts, raw materials (on terms up to 180 days) and bulk agricultural commodities and quasi-capital goods (on terms up to 360 days).

OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC)'S PROJECT FINANCING

OPIC offers various financing options to assist U.S. businesses investing overseas. OPIC views each project as unique and assesses each transaction individually. All projects

seeking OPIC financing must be commercially and financially sound. They must be within the demonstrated competence of the proposed management, which must have a proven record of success in the same or a closely related business, as well as a significant financial risk in the proposed project. OPIC financing can often make the difference when it comes to a project going forward. OPIC can lend up to \$250 million per project on either a project finance or corporate finance basis in countries where conventional institutions are often unable or unwilling to lend on such a basis. Generally, OPIC tries to identify three sources of repayment and, therefore, may use a combination of available project cash flow, sponsor support, and collateral to reach a sound financing structure with a prudent security package.

OPIC also finances U.S. business expansion overseas by providing long-term, limited-recourse project financing to ventures involving significant equity participation by U.S. businesses. Financing is available for new ventures as well as expansion or modernization of existing ones. Loan guaranties are typically used for larger projects, while direct loans are reserved for projects involving U.S. small businesses and cooperatives.

U.S. TRADE AND DEVELOPMENT AGENCY (USTDA)

USTDA's Mission

USTDA helps companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project planning activities, pilot projects, and reverse trade missions while creating sustainable infrastructure and economic growth in partner countries.

USTDA is an independent federal agency that was created to promote U.S. private sector participation in international development projects. USTDA assists in building mutually beneficial partnerships between American companies and overseas project sponsors to complete high quality and successful projects in host countries, with special emphasis on economic sectors that represent significant U.S. export potential. USTDA supports the National Export Initiative in launching the International Business Partnership Program to connect international buyers with U.S. manufacturers and service providers to open up new export markets and commercial opportunities around the world for American companies.

USTDA works closely with other Federal agencies including the U.S. Trade Representative; the Departments of State, Commerce, Homeland Security and Transportation; the Export-Import Bank of the United States, and the Overseas Private Investment Corporation to advance U.S. commercial interests and host country development objectives. The agency's program focuses on two types of activities: 1) trade capacity building and sector development; and 2) project definition and investment analysis activities. Trade capacity building and sector development assistance supports the establishment of industry standards, rules and regulations, trade agreements, market liberalization and other policy reform. Project identification and investment analysis involves activities that support large capital investments that contribute to overseas infrastructure development. USTDA accomplishes its mission through funding sector development technical assistance, training, trade and industry advisors, project definitional missions, feasibility studies, reverse trade missions, workshops and conferences, and procurement assistance.

USTDA advances economic development and U.S. commercial opportunities in Thailand and other developing countries through its cooperation with various private and public entities.

In March 2002, USTDA opened its Asia Regional Office in Bangkok to further develop the Thailand opportunities and support USTDA operations throughout South and Southeast Asia. Since the inception of the program in the early 1980s, Thailand has received over \$45 million for more than 150 projects. While the agency's activities span a wide variety of sectors, many focus on transportation, clean and renewable energy, and information and communication technology. Emerging opportunities for USTDA involvement in Thailand appear to be in technical assistance and reverse trade mission related to promoting clean energy development and energy security, improving the transportation and trade infrastructure, ICT modernization and development, and implementation of ASEAN-wide initiatives.

Overall, USTDA's 2012 program in Asia illustrated the unique ability of the agency to meet a wide range of development needs, from supporting energy security and clean energy investments to transport safety and modernization and capacity-building activities designed to foster an environment more conducive to economic growth and trade. USTDA will build on its vigorous program in Asia in 2013 as it continues to enhance their Thailand operations to facilitate commercial partnerships involving U.S. firms that further advance the developmental and trade capacity of the region.

In 2012, USTDA marked the twenty year anniversary of its creation as an independent agency through the aptly-named "Jobs through Exports Act of 1992." For every dollar the Agency programmed, an unprecedented \$63 in U.S. exports were generated. Further, the more than \$2.2 billion in new exports identified in 2012 bring USTDA's total exports generated since 1992 to over \$32 billion.

www.ustda.gov

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- Export-Import Bank of the United States: <http://www.exim.gov>
- Country Limitation Schedule:
http://www.exim.gov/tools/country/country_limits.html
- OPIC: <http://www.opic.gov>
- Trade and Development Agency: <http://www.tda.gov/>
- SBA's Office of International Trade: <http://www.sba.gov/oit/>
- USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/ccc/default.htm>
- U.S. Agency for International Development: <http://www.usaid.gov>

- U.S. Agency for International Development: <http://www.usaid.gov>
- Bank of Ayudhya Pcl: www.krungsri.com
- Bangkok Bank Public Co., Ltd: <http://www.bangkokbank.com>
- Krung Thai Bank Public Co., Ltd: <http://www.ktb.co.th>
- Siam Commercial Bank Public Co., Ltd: <http://www.scb.co.th>
- Kasikorn Bank Public Co., Ltd.: <http://www.kasikornbank.com>
- Thai Military Bank: <http://www.tmbbank.com>
- Asian Development Bank (ADB): <http://www.adb.org/>

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Chapter 8: Business Travel

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Business Customs

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Business relationships in Thailand are not as formal as those found in Japan, China, Korea or the Middle East, but neither are they as relaxed and impersonal as is common in the West. Many business relationships have their foundations in personal relationships developed within the social circles of family, friends, classmates and office colleagues. Although Thailand is a relatively open and friendly society, it is advisable to approach potential business contacts with a prior introduction or personal reference. Thais will be more receptive if you arrive with an introduction or letter from a known government official or business contact. Using the Commercial Service's Gold Key Service is also an effective way to gain access to the Thai business community.

The Thai cultural values of patience, respect for status (age, authority, etc.) and not losing face, are significant factors in business relationships as well. Thais feel great pride for their country and have deep respect for tradition. Sometimes, however, observance of traditional formalities may seem inconsistent to the tolerant, relaxed nature of living in Thailand. This can be confusing or frustrating to Westerners who are more informal and more time conscious.

Respect for, and consideration of, one's elders, superiors and patrons is deeply rooted in the Thai cultural and social environments. Thais are very reluctant to hurt the feelings of others or to cause them any dissatisfaction. Losing one's composure is losing face and losing respect in Thailand. It can be difficult for Westerners to be sure they have received accurate and complete answers to questions, or that they have received frank and open opinions. (Source: Thailand Business Basics, Standard Chartered Bank.)

ETIQUETTE

- "Khun" is the Thai form of address for Mr., Mrs., and Ms.
- The "wai" is a traditional gesture of greeting and respect in Thailand. Practice by placing your palms together in a prayer-like position.
- Business cards are an indispensable part of making business contacts in Thailand. Bring lots of your own as a general form of introduction.
- Remove shoes before entering a home or temple.

- Touching someone on the head or pointing your feet to anything is considered by Thais to be very rude.
- Thais hold the Royal Family in high esteem and you are also expected to do so.

Travel Advisory

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Americans may register on-line with U.S. Embassy Bangkok to obtain updated information on travel and security within Thailand by visiting the U.S. Embassy's website at <http://bangkok.usembassy.gov/>. Another place with useful information for travelers is the Royal Thai Embassy in Washington D.C.'s website, <http://www.thaiembdc.org/>. Travelers visiting Thailand may also wish to review the State Department Consular Information Sheet on Thailand at:

http://travel.state.gov/travel/cis_pa_tw/cis/cis_1040.html

Visa Requirements

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U.S. citizen tourists staying for fewer than 30 days do not require a visa, but must possess a passport and may be asked to show an onward/return ticket. Effective October 1, 2006, persons entering Thailand without a visa will be allowed to stay in Thailand for 30 days per visit. The total duration of stay in Thailand for persons who enter Thailand without a visa cannot exceed 90 days during any six-month period, counting from the date of first entry. Travelers must pay a Passenger Service Charge in Thai baht when departing from any of Thailand's international airports.

When a traveler enters the country, Thai Immigration stamps in his or her passport the date on which the traveler's authorized stay in Thailand will expire. Any traveler remaining in Thailand beyond this date without having received an official extension will be assessed an immediate cash fine when departing Thailand. Any foreigner found by police to be out of legal status prior to departure (during a Thai Immigration "sweep" through a guesthouse, for example) will be jailed, fined, and then deported at his or her own expense, and may be barred from re-entering Thailand.

In this regard, American citizens should be aware that private "visa extension services," even those advertising in major periodicals or located close to Immigration offices or police stations, are illegal. A number of Americans are arrested at border crossings each year when the visas and entry stamps they have obtained through these illegal services are discovered to be counterfeit.

Thailand's Entry/Exit information is subject to change without notice. For further information on Thailand's entry/exit requirements, contact the Royal Thai Embassy, 1024 Wisconsin Avenue, N.W., Washington, D.C., 20007, telephone (202) 944-3600, or contact the Thai consulates in Chicago, Los Angeles, or New York City. See our [Foreign Entry Requirements brochure](#) for more information on Thailand and other countries. Visit the Embassy of Thailand web site at <http://www.thaiembdc.org> for the most current visa information.

On September 29, 2006, Bangkok's main airport, Don Muang, ceased operations, and all inbound and outbound flights were shifted to the Suvarnabhumi International Airport.

Suvarnabhumi International Airport is located 18 miles (30 kilometers) east of downtown Bangkok and is approximately a thirty-minute drive to/from downtown Bangkok in light traffic. Traffic conditions may result in longer drive times. Information on the new airport can be found at: <http://www.bangkokairportonline.com/>.

See [Entry and Exit Requirements](#) for more information pertaining to [dual nationality](#) and the prevention of [international child abduction](#). Please refer to our [Customs Information](#) to learn more about customs regulations.

- **NON-IMMIGRANT VISA**

Purpose of visit: Business, Conference, Research, Teaching, Mass Media or Missionary work (requires letter from your government, agency or organization sending you on your mission or from your counterpart in Thailand). Education (requires letter from educational institution in Thailand). Family Reunion (requires marriage or birth certificates). Settlement after retirement (requires proof of retirement and financial support). Medical treatment (requires letter from licensed doctor), (Maximum stay is 90 days.)

- **TOURIST VISA**

Purpose of visit: for tourism only.
(Maximum stay is 60 days.)

- **TRANSIT VISA**

Purpose of visit: Transit (requires proof of confirmed onward ticket to a third country). Sports or Crew (requires letter from organization concerned).
(Maximum stay is 30 days).

For more information travelers may contact the Royal Thai Embassy, Visa Section, Suite 101, 1024 Wisconsin Ave., N.W. Washington, D.C. 20007 Tel. (202) 944-3600 Ext. 767 Fax. (202) 944-3611 e-mail: consular@thaiembdc.org

Office Hours: Monday-Friday 9:00 a.m. –1:00 p.m. and 2:30-4:00 p.m. (Walk-in Services: 9:00 a.m. – 1:00 p.m. only) U.S. Eastern Standard Time. Closed on Thai and U.S. Official Holidays.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

US Embassy Consular Section: <http://bangkok.usembassy.gov/visas.html>

Thailand's telecommunications services are at an international standard, especially in urban areas such as Bangkok. Thailand is rapidly developing an IT industry. There is an abundance of fixed lines for offices and residences. Mobile telephones and ADSL broadband are also available.

Telecommunications for the business traveler in Bangkok and major cities is efficient, with worldwide access for voice, fax and data, as well as international direct dialing. Cellular phones are very common and can be rented for short stays. A foreign cellular phone on GSM roaming service will generally work in Thailand. In rural or remote areas, cell coverage is spotty but most respectable hotels have reliable land coverage.

During recent years, mobile cellular telephone ownership has grown at a much faster rate than landline ownership. There are approximately five times as many mobile cellular telephones than landlines in use, with the majority of the Thai population owning a mobile cellular telephone. Mobile operation is done by key players such as AIS, DTAC, and True Move.

In terms of land-line telephone, the Bangkok metro area is served by two fixed-line operators: the Telephone Organization of Thailand (TOT), a state enterprise, and True Corporation Plc. (True), a private company. Local calls are not timed and carry a fixed charge of \$ 0.075 per call.

Areas outside Bangkok are served by the TOT and the private company TT&T Public Co., Ltd. The fixed line network has a total capacity of over 8 million lines, of which about 7 million are in use. In addition, public telephones are available nationwide.

Internet service is available in most areas of Thailand, with the exception of villages that are a long distance from telephone lines. Even here, satellite service is possible. Currently, Wireless Fidelity (Wi-Fi) remains the primary wireless access technology in Thailand. Over 500 Wi-Fi hotspots and access points are available in Bangkok and large cities, such as Chiangmai, Pattaya and Phuket, where broadband service is accessible for the targeted customers, business travelers and tourists. Also, it has been installed at most Starbucks coffee shops around the country. The unlicensed frequency spectrum for public use is 2.4-2.5 GHz.

Broadband wireless access services are implemented by major telephone carriers such as TOT Public Co. Ltd., TT&T Public Co. Ltd., and True Corporation Public Co. Ltd. and in conjunction with well-known ISPs such as Internet Thailand Public Co. Ltd., KSC Commercial Internet Co. Ltd., CS Loxinfo Public Co. Ltd., Jasmine Internet Co. Ltd., and Samart Internet Co. Ltd.

Thailand Telecommunications Portfolio (Source: Thailand Board of Investment)

- 20 Internet providers (Feb,2011)
- 9 International internet gateway service providers and national internet exchange (Feb, 2011)

- 18.31 million internet users (2012)
- 6.7 million Facebook users (2010) 450,000 Twitter users of whom 100,000 are active.(2010)
- 1 million messages tweeted in Thai language each day.(2010)
- Internet international bandwidth: 158,680 Mbps (Sept, 2010)
- Mobile phone subscribers: 98.65 per 100 inhabitants (2009)
- Computer users: 29.3 per 100 inhabitants (2009)
- iPhone users: 200,000 (2010)
- iPad users: 45,000 (2010)
- Nokia users: 57,402 (2010)
- BlackBerry users: 22,000 (2010)

Transportation

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The business traveler has access to a range of ground transportation in Bangkok and major cities. Metered taxis are common and most hotels offer limousine services. Chauffeured cars can be rented for extended stays. For Bangkok, an extensive public bus network with both air-conditioned and non-air conditioned vehicles serves all areas of the city.

In addition, Bangkok has two mass rail transit systems; the BTS and the MRTA. The BTS, known locally as Sky Train (<http://www.bts.co.th>), is an elevated train network that opened in Bangkok's most congested business districts, including Silom and Sukhumvit. The MRTA (<http://www.mrta.co.th>) is a 20 KM subway system that runs between Hua Lamphong (Central Train Station) and Bangsu.

For inter-city travel, public regular and air-conditioned buses are available. These buses run on a regular basis between Bangkok and provincial cities in Thailand. Three regional bus depots serve Eastern region destinations (Ekamai), Northern and North Eastern region destinations (Mor Chit) and the Southern region (Sai Tai Mai).

Thailand has a road network of more than 250,000 kms, of which 51,466 kms is national highways. The 4 major national highways connecting Bangkok and the rest of the country are Highway No 1(North), Highway No 2 (North East), Highway No 3 (central), and Highway No 4 (South).

Inter-city rail services range from comfortable and efficient to primitive. The State Railway of Thailand operates 4,119 kms of rail networks with four main routes: Bangkok-north to Chiang Mai; northeast to Nongkhai and Ubon Rajathani; east to Prachinburi; and, south to the Thai-Malaysian border.

Thailand has eight international deep-sea ports in operation, with four private ports permitted to handle container cargo. The country's main commercial ports are Bangkok Port, Laem Chabang Port and Sriracha Harbor Deep Seaport.

1. Bangkok Port is the largest port in Thailand and can handle approximately 1.34 million TEU/yr. the depth of the Chao Phraya River basin is 8.5 meters. Bangkok Port is located on the west side of the Chao Phraya River between km. + 26.5 and km. + 28.5 at the entrance to Prakanong Canal, Klongtoey District, Bangkok.
2. Laem Chabang can handle about 6.9 million TEU/yr., port depth is 12 meters. Currently, four piers are handled by private companies. Laem Chabang Port is situated at Tungsukhla Sub-District, Sriracha District and Banglamung Sub-District of Chon Buri Province. The port covers an area of around 2,536 acres (6,340 rai).
3. Sriracha Harbour Deep Seaport was the first port in Thailand able to accommodate vessels up to 100,000 dwt. The location of Sriracha Harbour ensures that it is accessible and fully usable for 95% of the year.

Thailand currently has 28 commercial airports, six international airports. The international airports are located in Bangkok, Chiang Mai, Chiang Rai, Phuket, Hat Yai, and U Tapao. Suvarnabhumi Airport, opened in September 2006, is the country's primary international airport and aviation with an initial passenger capacity of 45 million, and a cargo capacity of 3 million metric tons per year. This new international airport covers an area of 20,000 rai, and can accommodate 100 million passengers per year and 112 flights per hour. The airport has the world's longest runway, 60 metres wide by 4,000 metres long. Thai Airways International is Thailand's national airline serving both domestic and inter-continental routes.

Language

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Thai is the national language. English is the next most commonly spoken language, and is especially prevalent among the business community in Bangkok. (There are four distinct language dialects in Thailand, with the Central Thai dialect being the first language of 75 percent of the population.) Many Sino-Thai also speak Chinese.

Health

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Excellent medical treatment is available in Bangkok, with good to adequate treatment available throughout the country. While the general level of health and nutrition is good, some tropical diseases are a problem. Hepatitis is endemic. The incidence of AIDS has leveled off due to educational awareness campaigns by the Royal Thai Government. However, Thailand is still considered a high-risk country, especially among prostitutes and intravenous drug users. Japanese encephalitis and malaria are a problem in rural border areas, but generally not in Bangkok, major cities, or major tourist destinations. Dengue fever outbreaks occur periodically throughout the country. Rabies is also a risk to consider due to the large number of abandoned animals roaming the streets.

Nearly all cases of avian influenza in Thailand and other countries have been associated with close contact with infected poultry. Thailand is among the best prepared countries in the region in terms of prevention and containment of an outbreak. For *information about avian influenza please see the State Department's Bureau of Consular Affairs Avian Flu Fact Sheet at:* http://travel.state.gov/travel/tips/health/health_1181.html

Doctors and hospitals often expect immediate cash payment for services, and U.S.

medical insurance is not always valid outside the United States. Many hospitals in Bangkok and other major cities will accept standard credit cards. For additional useful health information, contact the International Travelers' Hotline at the Center of Disease Control at 800-232-4636 or 888-232-6348.

Food

Eating is an important part of the Thai group-oriented culture. Thai food has become internationally popular because of its sophistication and variety. The staples of this cuisine include rice, noodles, vegetables, meats, fish, spices and chilies. Thai food can be enjoyed in a wide variety of venues, from street-side kiosks to elegant world-class restaurants. In addition, all other international cuisines are available in the major cities and resort areas ranging from European fine dining, to other Oriental and ethnic restaurants, to American fast food.

Local Time, Business Hours, and Holidays

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The common professional workweek in Thailand is 40 hours per week consisting of five, 8-hour days, Monday through Friday. Office hours in Bangkok vary to accommodate flextime travel through the city's notoriously heavy traffic. Common office hours are 8:00 a.m. to 5:00 p.m. Most business offices are closed on Saturdays and Sundays although most commercial establishments remain open. The U.S. Commercial Service Bangkok's hours are 7:00 a.m. - 4:00 p.m., Monday through Friday. The office is closed during lunch from 12:00 noon to 1:00 p.m.

During the calendar year 2012, the following are the commercial holidays on which most business and government offices in Thailand will be closed:

OFFICIAL HOLIDAYS 2012			
MONTH	DATE	DAY	OCCASION
January	2	Monday	Substitution for New Year's Day
April	6	Friday	King Rama I Memorial and Chakri Day
April	13-16	Fri-Mon	Songkran Days
May	7	Monday	Substitute for Coronation Day
June	4	Monday	Visakha Bucha Day
August	13	Monday	Substitute for Her Majesty The Queen's Birthday
October	23	Tuesday	Chulalongkorn Day
December	5	Wednesday	His Majesty the King's Birthday
December	10	Monday	Constitution Day
December	31	Monday	New Year's Eve

Thai Customs Department policy and procedures on temporary entry of goods for business practices and exhibitions are described below. Duty exemption is valid for temporary imported goods that will be re-exported within three or six months of the importation date depending on the entry purpose. Traveler entering or departing from Thailand is exempt from duty for accompanying with spirituous liquor (one liter), cigarettes (two hundred), cigars or smoking tobacco (250 grams).

For more specific information on type of goods and steps of customs procedure, please visit the section on "Traveler Information" on the web site <http://www.customs.go.th>, or contact U.S. Commercial Service Bangkok at Tel: (662) 205-5090.

GOODS FOR BUSINESS PRACTICE

Laptop Computers: The Thai Customs Department considers portable computers as reasonable personal effects and not dutiable, restricted or prohibited goods. If travelers carry laptop computers for use while visiting Thailand, they should check the "Nothing to Declare" box on the customs declaration form and submit the form at the Green channel. However, each traveler should carry only one laptop computer at a time and should be prepared to prove at a Customs random inspection that the computer is a personal belonging or for use while doing business in Thailand, and not for re-sale.

Computer Software: Unwrapped computer diskettes and CD-ROMs for use while visiting Thailand are not dutiable. Check the "Nothing to Declare" box on the customs declaration form and submit the form at the Green channel.

EXHIBIT MATERIALS

There are 2 choices of Customs procedures for entering exhibit materials exempted from duty payment into Thailand for A.T.A. Carnet treaty members and nonmembers.

1. **Bonded Guarantee (ATA Carnet):** The ATA Carnet is an international system that provides bonded guarantees on goods imported temporarily. Its purpose is to facilitate customs procedures for temporary import-export of goods that are exempt from payment of duty without prohibited and restricted conditions. All member states accept and provide this service under their own laws and regulations.

The Thai Customs Department recommends exhibit materials enter into Thailand through a carnet as it cuts down the required Customs procedures. The guarantee issuer and guarantor must be approved by the Customs Department and be a member of the international guarantee issuer organization such as a U.S. Trade Association or Chamber of Commerce. The guarantee issuer organization can issue a letter of guarantee to exporters in which they agree to pay duty if carnet conditions are not followed.

An importer can use the letter of guarantee as a substitute to the import entry form and the payment guarantee. The importer must complete the carnet import/re-export document and submit it to Customs officers at Thailand's port of entry. The Customs officers will inspect the goods, keep a copy of the import entry form and return the carnet book to the importer. If the goods are not taken

out within the period of time stated in the contract, the guarantor will have to pay duty, a 10 percent penalty, and any applicable fees. For further information, please contact the Privilege Goods and Investment Promotion Sub-Division telephone: (662) 249-4150, fax: (662) 249-4212.

2. Imported goods for exhibitions in Thailand (for A.T.A. Carnet non-members): Exhibit materials apply to goods which are imported for public exhibition and goods on which the importer has placed a bonded guarantee and will be re-exported within a certain period of time. Goods used up in an exhibition such as printed documents, advertised articles, and distributed materials are not duty exempted items. The process for temporary importation of exhibit materials into Thailand is as follows:

- The importer must provide detailed information on the exhibition including the host, venue, period of time, reasons for importation, and goods category to the Customs Department for temporary import permission;
- The importer must submit a duty-exempted application with certification of the exhibition, an import entry form with documents such as invoice, Airway bill, and packing list and a permission form for import of restricted goods. The importer signs for the materials, states the period of temporary entry (must be under 6 months), and places a cash deposit or Bank's guarantee for the following total (duty + 140 percent + VAT);
- Customs officers will inspect the goods and return a copy of the special Import Entry Form to the controller of the goods to be presented on the way of taking the goods out of Thailand. The controller may appoint a local firm, as an importer, to deliver the material from the port of entry to the exhibition site;
- When taking the materials out of the country, the controller shall present a copy of the special Import Entry Form to the Customs officers and shall withdraw the guarantee contract. If the importer has shown intention of not taking the goods out of the country within the period of time stated in the contract, the guarantee contract will be enforced;

Regarding contract extensions, the importer can request an extension of 6 months from the date of entry. The importer must submit an application to the Customs House or to the Laws and Regulations Division, Customs Department for approval.

Web Resources

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- Royal Thai Embassy in Washington D.C.'s website: <http://www.thaiembdc.org/>
- State Department Consular Information Sheet on Thailand at: http://travel.state.gov/travel/cis_pa_tw/cis/cis_1040.html
- State Department Visa Website: <http://www.state.gov/misc/59452.htm>
- United States Visas.gov: <http://travel.state.gov/visa/>
- United States Visas.gov: <http://www.unitedstatesvisas.gov/>
- U.S. Embassy's website: <http://bangkok.usembassy.gov/>
- U.S. Embassy's Visa website: <http://bangkok.usembassy.gov/visas.html>

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Chapter 9: Contacts, Market Research and Trade Events

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Contacts

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The U.S. Commercial Service and the Economic Section at the U.S. Embassy in Bangkok maintain extensive files on key organizations in Thailand. Contact them for more information. **U.S. GOVERNMENT**

U.S. EMBASSY, THAILAND

Ambassador of the U.S. to Thailand: The Honorable Kristie A. Kenney

Street Address:
120 Wireless Road, Pathumwan,
Bangkok, Thailand 10330

Mailing Address:
American Embassy – Bangkok,
APO AP 96535

Tel: 662-205-4000
Internet: <http://bangkok.usembassy.gov>

U.S. COMMERCIAL SERVICE

Senior Commercial Officer: Mr. Michael L. McGee

Street Address:
U.S. Embassy Bangkok
GPF Witthayu Building, Tower A, 3rd Floor, 302
93/1 Wireless Road, Pathumwan
Bangkok 10330

Mailing Address:
American Embassy - Bangkok
FCS Box 51
APO AP 96546

Tel: 662-205-5090
Fax: 662-255-2915, 205-5914
E-mail: office.bangkok@trade.gov
Internet: <http://www.export.gov/thailand>

Note: The U.S. Commercial Service helps U.S. firms to export to and develop their business in Thailand.

ECONOMIC SECTION

Economic Counselor: Ms. Julie Chung

Street Address:
U.S. Embassy Bangkok
120 Wireless Road, Pathumwan
Bangkok 10330

Mailing Address:
American Embassy – Bangkok
APO AP 96546

Tel: 662-205-4995, 205-4726
Fax: 662-254-2839

U.S.D.A. FOREIGN AGRICULTURAL SERVICE

Agricultural Counselor: Mr. John Wade

Street Address:
U.S. Embassy Bangkok
GPF Witthayu Building, Tower A, 4th Floor, 404
93/1 Wireless Road, Pathumwan
Bangkok 10330

Mailing Address:
American Embassy - Bangkok
APO AP 96546

Tel: 662-205-5106
Fax: 662-255-2907
E-mail: agbangkok@fas.usda.gov

U.S. TRADE AND DEVELOPMENT AGENCY (USTDA)

Regional Manager for Asia: Mr. Mark J. Dunn

Street Address:
U.S. Embassy Bangkok
GPF Witthayu Building, Tower A, 3rd Floor, 302
93/1 Wireless Road, Pathumwan
Bangkok 10330

Tel: 662-205-5600
Fax: 662-255-4366
Email: mdunn@ustda.gov

Note: TDA promotes economic development and trade in developing and middle-income countries by funding feasibility studies, consultancies, training programs and other project planning services.

ROYAL THAI GOVERNMENT

MINISTRY OF FOREIGN AFFAIRS

443 Sri Ayudhya Road, Bangkok 10400

Tel. (622) 643-5000

Internet: <http://www.mfa.go.th>

- **Department of American and South Pacific Affairs**

Tel: 662-643-5128

Fax: 662-643-5127

North America Division

443 Sri Ayudhya Rd., Bangkok 10400

Tel: 662-643-5121/2

Fax: 662-643-5124

E-mail: american02@mfa.go.th

- **Royal Thai Embassy in Washington**

1024 Wisconsin Avenue, N.W. Suite 401

Washington, D.C. 20007

Tel: 202-944-3600

Fax: 202-944-3611

Internet: <http://www.thaiembdc.org>

OFFICE OF THE PRIME MINISTER

Internet: <http://www.opm.go.th>

- **Office of the National Economic and Social Development Board (NESDB)**

962 Krung Kasem Road, Wat Sommanut

Pomprab, Bangkok 10100

Tel: 662-280-4085

Fax: 662-281-3938

Internet: <http://www.nesdb.go.th>

- **Office of the Board of Investment (BOI)**

555 Vibhavadi-Rangsit Road, Chatuchak

Bangkok 10900

Tel: 662-553-8111

Fax: 662-553-8222

Internet: <http://www.boi.go.th>

- **Energy Policy and Planning Office (EPPO)**

121/1-2 Phetchaburi Road, Thungphayathai

Ratchathewi, Bangkok 10400

Tel: 662-612-1555

Fax: 662-612-1364

Internet: <http://www.eppo.go.th>

MINISTRY OF INTERIOR

Internet: <http://www.moi.go.th>

MINISTRY OF COMMERCE

Internet: <http://www.moc.go.th>

- **Department of Foreign Trade**
44/100 Nonthaburi 1 Road (Sanambinnam)
Bangkrasor, Muang, Nonthaburi 11000
Tel: 662-547-4771/86
Fax: 662-547-4791/2
Internet: <http://www.dft.moc.go.th>
- **Department of Commercial Registration/Dept. of Business Development**
Building 3rd Floor,
44/100 Nonthaburi 1 Road (Sanambinnam)
Bangkrasor, Muang, Nonthaburi 11000
Tel: 662-547-5050
Fax: 662-547-4459
Internet: <http://www.dbd.go.th>

Note: Registration of Public Companies, Group of Bank and Financial Institution,
Insurance
Companies, Storage and Warehousing

MINISTRY OF FINANCE

Internet: <http://www.mof.go.th>

- **The Customs Department**
1 Soonthornkosa Road, Khlongtoey
Bangkok 10110
Tel: 662-667-7880/4, 667-7100
Fax: 662-667-7885, 667-7767
Email: customs_clinic@customs.go.th
Internet: <http://www.customs.go.th>

MINISTRY OF INDUSTRY

Internet: <http://www.industry.go.th>

- **Department of Industrial Works**
75/6 Rama VI Road, Ratchathewi
Bangkok 10400
Tel: 662-202-4000, 202-4014
Fax: 662-354-3390
Email: pr@diw.mail.go.th
Internet: <http://www.diw.go.th>
- **Department of Industrial Promotion**
Rama VI Road, Ratchathewi
Bangkok 10400
Tel: 662-202-4414/8, 202-4511
Fax: 662-354-3299
Internet: <http://www.dip.go.th>

- **Thai Industrial Standards Institute**
Rama VI Road, Ratchathewi
Bangkok 10400
Tel: 662-202-3494
Fax: 662-202-3041
Email: thaistan@tisi.go.th
Internet: <http://www.tisi.go.th>
- **Industrial Estate Authority of Thailand**
618 Nikhom Makkasan Road, Makkasan
Ratchathewi, Bangkok 10400
Tel: 662-253-0561
Fax: 662-253-4086
Email: ieat@ieat.go.th
Internet: <http://www.ieat.go.th>

MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT

Internet: <http://www.mnre.go.th>

- **Office of Natural Resources and Environmental Policy and Planning**
60/1 Soi Phibunwattana 7, Rama VI Road
Samsennai, Phayathai
Bangkok 10400
Tel: 662-265-6500
Fax: 662-265-6511
Internet: <http://www.onep.go.th>
- **Pollution Control Department**
92 Soi Phahonyothin 7, Phahonyothin Road
Samsennai, Phayathai, Bangkok 10400
Tel: 662-298-2000
Fax: 662-298-2002
Internet: <http://www.pcd.go.th>

MINISTRY OF PUBLIC HEALTH

Internet: <http://www.moph.go.th>

- **Food and Drug Administration**
88/24 Tivanond Road, Muang
Nonthaburi 11000
Tel: 662-590-7000/1
Internet: <http://www.fda.moph.go.th>

OTHER INDEPENDENT GOVERNMENT AGENCIES

Bank of Thailand

273 Samsen Road, Bangkhunprom
Pranakhon, Bangkok 10200
Tel: 662-283-5353
Fax: 662-280-0449, 280-0626
Internet: <http://www.bot.or.th>

Bangkok Metropolitan Administration

173 Dinso Road, Saochingchar
Pranakorn, Bangkok 10200
Tel: 662-221-2141/69
Fax: 662-621-0831, 221-2170
Internet: <http://www.bangkok.go.th>

TRADE ASSOCIATIONS**American Chamber Of Commerce in Thailand (AMCHAM)**

Executive Director: Ms. Judy Benn
7th Floor, GPF Witthayu Building, Towers A
93/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Tel: 662-254-1041
Fax: 662-251-1605
E-mail: service@amchamthailand.com
Internet: <http://www.amchamthailand.com>

Note: AmCham is the premier U.S. business organization in Thailand with more than 600 U.S. member companies.

US-ASEAN Business Council

1101 17th Street, NW Suite 411
Washington, DC 20036
Tel: 202 289-1911
Fax: 202 289-0519
Email: mail@usasean.org
Internet: <http://www.us-asean.org>

Note: The US-ASEAN Business Council is the premier national private organization in the United States representing private sector interests in ASEAN, the Association of Southeast Asian Nations.

Bangkok Office:

Thailand Representative: Mr. Praab Pianskool
US-ASEAN Business Council
23rd Fl., Siam Tower, 989 Rama 1 Road,
Pathumwan, Bangkok 10330, Thailand
Tel: 662-649-1119
Fax: 662-658-0619
E-mail: praab@usasean.org

Thailand - U.S. Business Council

7th Floor, Asia Sermkij Tower, 49 Soi Pipat,
Silom Road, Bangrak, Bangkok 10500
Tel: 662-636-9020-5
Fax: 662-636-9026
Internet: <http://www.tusbc.org>

Note: The business council is important for policy and senior executive business information exchanges.

U.S. - Thailand Business Council

3050 K. Street, N.W. Suite 205
Washington, D.C. 20007
Tel: 202-337-5973
Fax: 202-337-0039
E-mail: ustbc@ustbc.org
Internet: <http://www.ustbc.org>

Note: This Council is at the forefront of U.S.-ASEAN affairs and sponsors senior interchanges including the annual U.S.-ASEAN Ambassador's Tour in the U.S. and senior executive visits to ASEAN.

Board Of Trade of Thailand

150 Rajbopit Road, Pranakhon, Bangkok 10200
Tel: 662-622-1860/76
Fax: 662-225-3372
E-mail: bot@thaichamber.com
Website: <http://www.thaichamber.com>

Federation of Thai Industries (FTI)

4th Floor, Zone C, Queen Sirikit National Convention Center
60 New Rachadapisek Road, Klongtoey, Bangkok 10110
Tel: 662-345-1000
Fax: 662-345-1296/9
E-mail: information@off.fti.or.th
Internet: <http://www.fti.or.th>

Note: The Federation of Thai Industries membership represents most of the major industry sectors and their industry associations.

The Thai Chamber Of Commerce (TCC)

150 Rajbopit Road, Pranakorn, Bangkok 10200
Tel: 662-622-1860/76
Fax: 662-225-3372
E-mail: tcc@thaichamber.com
Internet: <http://www.thaichamber.com>

MARKET RESEARCH FIRMS

Agrisource Co., Ltd.

Ambassador's Court, 4th Floor, Room 416
76/1 Soi Langsuan, Ploenchit Road, Bangkok 10330
Tel: 662-251-8655
Fax: 662-251-0390
Email: admin@agrisource.co.th
Internet: <http://www.agrisource.co.th>

The Brooker Group PLC.

26th Floor, The Trendy Office Building, 10/190-193 Soi Sukhumvit 13,
Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110

Tel: 662-168-7100

Fax: 662-168-7111/2

Email: info@brookergroup.com

Internet: <http://www.brookergroup.com>

Business Advisory (Thailand) Ltd.

15th Floor, Maneeya Center Building, 518/5 Ploenchit Road,
Lumpini, Pathumwan, Bangkok 10330

Tel: 662-255-8977

Fax: 662-254-4576

Email: jon@bathailand.com

Internet: <http://www.bathailand.com>

The Nielsen Company (Thailand) Ltd.

26th Floor, United Center, 323 Silom Road, Bangrak
Bangkok 10500

Postal address: P.O. Box 2732, Bangkok 10501

Tel: 662-674-6000

Fax: 662-231-1959, 236-7747

Internet: <http://www.th.nielsen.com>

J.P. Rooney & Associates Group

4th Floor, Panunee Building, 518/3 Ploenchit Road,
Pathumwan, Bangkok 10330

Postal Address: P.O. Box 1238, Nana Post Office

Bangkok 10112 Thailand

Tel: 662-254-7343, 251-2323

Fax: 662-652-0788

Email: jprooney@jprooney.com

Internet: <http://www.jprooney.com>

Pricewaterhousecoopers

15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road
Thungmahamek, Sathorn, Bangkok 10120

Postal Address: P.O. Box 800, Bangkok 10501

Tel: 662-286-9999, 344-1000

Fax: 662-286-5050

Internet: <http://www.pwc.com>

WEB SITES FOR AMERICAN INVESTORS AND EXPORTERS**U.S. Commercial Service**

The U.S. Commercial Service helps U.S. businesses export to and invest in Thailand.
They also offer information in Thai to potential buyers of American exports and services
in Thailand. <http://www.export.gov/thailand>

U.S. Department of Commerce

<http://www.commerce.gov>

U.S. Embassy in Thailand

<http://bangkok.usembassy.gov>

US Export Import Bank (Ex-Im)

Assists U.S. exporters by providing loans, guarantees, and insurance to U.S. exporters

<http://www.exim.gov>

U.S. Immigration and Customs Enforcement

<http://www.ice.gov/>

TRADE ORGANIZATIONS IN THAILAND**American Chamber of Commerce**

<http://www.amchamthailand.com>

Thai Industrial Standards Institute

This site provides information on standards for products to be sold in Thailand. The site also contains data on the certification mark activities and ministerial regulations.

<http://www.tisi.go.th>

ENGLISH LANGUAGE NEWSPAPERS IN THAILAND**Bangkok Post**

<http://www.bangkokpost.com>

The Nation

<http://www.nationmultimedia.com>

BANKING AND FINANCE**Bank of Thailand**

<http://www.bot.or.th>

Asian Development Bank

<http://www.adb.org>

Siam Commercial Bank

<http://www.scb.co.th>

Kasikorn Bank

<http://www.kasikornbank.com>

Bangkok Bank

<http://www.bangkokbank.com>

Market Research

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

For real-time market intelligence, follow the U.S. Commercial Service in Bangkok on Twitter [@CSThailand](#)

Trade Events

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Please click on the link below for information on upcoming trade events.
<http://www.export.gov/tradeevents/index.asp>

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to prepare U.S. companies to export successfully, connect them with trade opportunities and support them once they do have exporting opportunities.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources.

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E).

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein.

Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.

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